

**DECLARATION OF CONDOMINIUM & BY-LAWS OF
MAD RIVER CHALETS CONDOMINIUM**

MAD RIVER DEVELOPMENT, LLC ("Declarant"), a New Hampshire limited liability company, with a mailing address of PO BOX 524 West Barnstable, MA 02668, owner of the real estate known as Tax Map 235, Lot 173, located on Upper Mad River Rd in the town of Thornton, Grafton County, New Hampshire, declares as follows:

I. DECLARATION OF CONDOMINIUM & BY-LAWS OF MAD RIVER CHALETS CONDOMINIUM. The Declarant hereby submits the land and improvements known to the Town of Thornton, Grafton County, New Hampshire as Tax Map 235, Lot 173, shown on a plan entitled: "*CONDOMINIUM SITE PLAN MAD RIVER CHALETS*" dated August 13, 2024, prepared by Bedford Design Consultants, Inc. recorded as Plan # _____ in the Grafton County Registry of Deeds ("Plan") to the Condominium Act to create a condominium form of ownership for a 5-unit community known as "Mad River Chalets Condominium".

II. DEFINITIONS. The following terms of this Declaration are defined as follows and those not defined shall have the meanings set out within RSA 356-B:3:

a) "Association" means the "Mad River Condominium Association."

b) "Budget" means the Annual Operating Expense and Reserve Budget for the Mad River Condominium Association attached as Exhibit C.

c) "By-Laws" means the By-Laws of the Mad River Chalets Condominium Association included as Exhibit B to this Declaration.

d) "Common Area" means the land and improvements shown on the Plan not included within the definition of a "Unit", including but not limited to septic tanks and leach fields servicing the Units.

e) "Common Expenses" means all costs incurred by the Association to maintain, repair, replace or improve the Common Areas.

f) "Common Expense Assessment" means the monthly amount due from the owner(s) of each Unit to the Association on the first day of each month ("Due Date") in advance for their proportionate share of the Common Expenses.

g) "Condominium" means all the land and improvements shown on the Site Plan.

h) "Condominium Act" or "Act" means New Hampshire Revised Statutes Annotated Chapter 356-B, as amended.

i) "Condominium Instruments" means (a) this "Declaration of Condominium and ByLaws of Mad River Chalets Condominium", (b) the recorded Plan, (c) the recorded Unit Floor Plans, and (d) all documents incorporated by reference.

j) "Condominium Record Book" or "Record Book" means the compilation of all recorded or unrecorded records of the Association, copies of the Condominium Instruments as amended, the Association meeting minutes and other documents relevant to the Association's governance.

k) "Declarant" means Mad River Development, LLC and its successor in interest.

l) "Declaration" means this Declaration of Condominium and By- Laws of Mad River Chalets Condominium.

m) "Delinquent Common Expense Assessment" means a monthly Common Expense Assessment remaining unpaid for at least sixty (60) days from its Due Date as that term is defined in Article III (g) above.

n) "Eligible Mortgage Holder" means a holder of a first mortgage encumbering a Unit entitled to notice of certain matters listed in the By-Laws.

o) "Eligible Insurer" or "Guarantor" means a private mortgage insurer or governmental guarantor of a first mortgage holder entitled to notice of certain matters listed in the By-Laws.

p) "Exterior Improvements" means a deck, patio or other structural improvement permanently affixed to the exterior of a Unit.

q) "Floor Plan" means the certified as-built plan prepared by a licensed land surveyor for each Unit recorded in the Registry with the deed delivering that Unit to a new Unit Owner.

r) "Land" or "Condominium Land" means the real property described on Exhibit A together with all easements, rights, reservations and appurtenances.

s) "Limited Common Area" or "LCA" means the footprint of the Unit and its Exterior Improvements on the Condominium Land, extended outward as shown on the Plan and reserved for the exclusive use of that Unit Owner.

t) "Notice of Lien" or "Memorandum of Lien" means an instrument recorded in the Grafton County Registry of Deeds by the Association relative to overdue monthly Common Expense Assessment pursuant to RSA 356-B:46. \]"Owner" or "Unit Owner" means the person(s) holding record title to a Unit. "Person" means a natural person, corporation, partnership, association, a limited liability company, trust or other entity capable of holding legal title to real property.

u) "Registry" means the Grafton County Registry of Deeds.

v) "Site Plan" or "Plan" means the plan entitled: *CONDOMINIUM SITE PLAN FOR MAD RIVER CHALETS*" dated August 13, 2024 prepared by Bedford Design Consultants, Inc. recorded as Plan # _____ in the Grafton County Registry of Deeds.

w) "Square Footage" when used to describe a Unit means the overall general square footage of the Unit calculated using its outside dimensions, but excluding any garage, basement, deck, patio and other nonliving areas.

x) "Town" means the Town of Thornton.

y) "Unit" means that portion of the Condominium designed and intended for occupancy by an individual person or

family, its Limited Common Area and its undivided interest in the Common Area.

III STATUTORY REQUIREMENTS. The following statements are required by RSA 356- B:16 of the Condominium Act:

a) Name: This condominium shall be known as "Mad River Chalets Condominium"

b) Location: Mad River Chalets Condominium has a mailing address of PO BOX 524 West Barnstable, MA 02668

c) Description of Land: The land is described on Exhibit A.

d) Description of Units:

- (i) Each Unit includes one-half (1/2) of a duplex building, and one unit stands alone, the exclusive right to use its Limited Common Area and an equal and undivided one-fifth (1/5th) ownership interest in the Common Area.
- (ii) Each Unit may be owned, conveyed, transferred, encumbered, inherited or devised independently from other Units within the Condominium.
- (iii) Any deck, patio or other Exterior Improvements permanently affixed to the Unit.
- (iv) The wastewater pipe extending from the interior of the Unit outward to the septic tank servicing the Unit.
- (v) The water line and any electrical wiring extending from the interior of a Unit to the outermost surfaces of the Exterior Improvements; and
- (vi) All pipes, wires, cables, chutes, flues, conduits, utility lines and mechanical equipment connecting a Unit to a utility main serving more than one Unit.

e) Unit Boundaries. A Unit includes the following:

- (i) All improvements located below the horizontal planes created by: (A) the inner surface of the roof; and (B) the lower most underside surface of any concrete floor or footing, extending outward to the Unit's exterior vertical boundaries;
- (ii) All improvements located between the vertical planes created by the exterior surfaces of the concrete, wood, vinyl or aluminum walls of a Unit, extended upward and downward to the Unit's horizontal boundaries;

- (iii) The vertical planes created by the centerline of the firewall dividing the Duplex Units within the limits of the Duplex Building and the surface of the Unit's three exterior walls, extended upward and downward to the Unit's horizontal boundaries.

f) Limited Common Area. The Limited Common Area includes the land under the Unit and its Exterior Improvements extended outward as shown on the Plan and reserved for the exclusive use of that Unit Owner.

g) Common Area. The Common Area includes all land and improvements shown on the Site Plan not included within the definition of "Unit", including Limited Common Areas, septic tanks and leach fields.

V. USE RESTRICTIONS.

1. Unit Use Restrictions:

a) A Unit Owner may lease their Unit provided the lease term is 7 days or longer and tenants comply with the Condominium Instruments. A Unit Owner shall remain responsible for payment of all Common Expense Assessments. In the event the Common Expense Assessment for a leased Unit becomes delinquent, the Association is authorized to demand the rent from that Unit be applied to the outstanding balance owed to the Association pursuant to RSA 356-B:46-a.

b) Advertisements or posters of any kind shall not be posted within the Condominium unless approved by the Association, with the exception of an individual Unit for sale sign which may not exceed five (5) square feet.

c) Clothing, laundry, rugs or personal attire shall not be hung from a clothesline, deck, window or window opening of a Unit or within the Common Area.

d) Garbage disposals shall not be installed in any Unit.

e) Air conditioning units shall not be installed in the windows of any Unit.

f) Litter or waste shall not be left in the Common Area. All trash shall be placed in containers and stored indoors or behind a Unit outside public view.

g) No animal shall be kept in a Unit other than a common household pet weighing less than seventy-five (75) pounds unless a service animal. A Unit Owner may have up to two (2) common household pets. Unit Owners shall bear all costs for damage caused by their pet(s).

h) No fencing shall be installed within the Common Area for pets or any other purpose. Owners shall keep pets leashed at all times.

i) A Unit Owner with a pet shall remain exclusively responsible to properly dispose of all pet excrement and droppings. Undisposed pet droppings reported to the Association may subject a Unit Owner to a \$50.00 charge per offense. Repeated violations shall be cause for the Association to require the pet be permanently removed from the Unit.

j) Owners, tenants and guests shall reduce noise levels within the Condominium after 10:00 p.m. to ensure other Unit Owners are not unnecessarily disturbed.

k) No improvement shall be made to the exterior of any Unit which would substantially change its appearance unless approved by the Association.

l) No Unit Owner may store mini-bikes, trucks weighing more than one-ton, mobile homes, motor homes, boats, trailers, campers, recreational vehicles, unregistered cars or similar vehicles outside their Unit or within the Common Area.

m) No activity shall take place within any Unit or within the Common Area which would violate any law or ordinance, increase the Condominium's insurance premium or cause its cancellation.

n) No home occupation visible from the Unit's exterior may be operated within the Condominium.

o) Satellite dishes and/or antennas shall not be installed on the front of any Unit. In the event a Unit Owner cannot obtain a signal from the rear roof of their Unit, the Association's approval shall be required to utilize any alternative location.

p) A Unit Owner's failure to comply with the Condominium Instruments shall constitute just cause by the

Association to take action, which may include, but not be limited to, the recovery of fines or damages or the granting of injunctive relief as provided for in RSA 356-B:45-46. The Association shall also be entitled to recover all reasonable costs, expenses and attorney fees incurred relative to its enforcement efforts.

VI. ASSOCIATION EASEMENT RIGHTS.

a) Each Unit shall remain subject to and benefit from the following:

- (i) Access. All Unit Owners shall have the unrestricted right to use private road: “Fischer Trail”
- (ii) Easements for Structural Encroachments. Each Unit shall remain subject to an easement for structural encroachments which may arise due to settling or shifting of the Units. The Association shall have the ongoing right to rely upon and maintain such encroachments for so long as they exist but no valid easement for encroachments may be created by a Unit Owner's negligent or intentional conduct or misconduct.
- (iii) Easements for Ingress, Egress and Use. Each Unit Owner shall have a nonexclusive easement in common with all Unit Owners for ingress, egress and to use the Common Areas, with the exception of LCA assigned to individual Units.
- (iv) Pipes, ducts, cables, wires, conduits, public utility lines. Each Unit Owner shall have an easement in common with other Unit Owners to use the pipes, wires, ducts, cables, conduits, utility lines, septic tanks and septic system leach fields and propane tanks shown on the Plan as may be necessary to insure adequate utility service to their Units.
- (v) Parking. Parking anywhere along the private driveway and within the turn around areas is prohibited as posted. Parking is only permitted in designated driveway areas adjacent to each unit. Each unit has 3 spaces within their own driveway area in addition to a single car garage.

VII. CASUALTY DAMAGE. In the event of casualty damage to any portion of the Condominium, the proceeds of the master policy shall be used to repair and/or restore the Common Area unless those proceeds are insufficient and the Unit Owners vote to terminate the Condominium pursuant the Condominium Act. In the event of such a loss, the Association is hereby irrevocably authorized to act as the agent for each Unit Owner, their mortgagee and any other person holding an interest in the Condominium to adjust all claims resulting from such casualty damage and to deliver appropriate releases on their behalf. All casualty loss payments shall be made payable to a State of New Hampshire chartered banking institution as trustee for the benefit of the Association, its Unit Owners and mortgagees as the case may be. Reconstruction, repair and restoration of the Condominium Improvements shall follow the procedures set forth in Article VII of the By-Laws.

VIII. AMENDMENT OF DECLARATION. This Declaration may be amended by the Declarant as a matter of right until the first Unit is transferred to a third party. All other amendments thereafter shall be in accordance with RSA 356-B:34 by an affirmative vote of at least two-thirds (2/3) of the Unit Owners with the Declarant having one vote for each Unit not yet transferred to a third party. No amendment shall become effective until it has been executed in accordance with the By-laws and recorded in the Registry.

IX. NO REVOCATION OR PARTITION. The Common Area shall not be subdivided and shall remain undivided unless the Condominium is terminated pursuant to Section 34 of the Condominium Act.

X. PRIORITY OF FIRST MORTGAGES. No provision of this Declaration or the By-Laws shall be construed as granting priority to any Unit Owner over the rights of a first mortgagees holding a mortgage encumbering a Unit.

XI. CONSENT OF FIRST MORTGAGEES. Notwithstanding any other provision of this Declaration or the By-Laws, unless seventy-five percent (75%) of the mortgagees holding first mortgage liens recorded at the Registry encumbering Units have given their prior written approval, neither the owners nor the Association may amend this Declaration or its By-Laws to:

- a) Abandon or terminate the Condominium;
- b) Change the pro rata ownership interest or obligations of any Unit;

c) Partition or subdivide the Condominium or an individual Unit;

d) Sell or transfer any interest in the Common Area, except to grant an easement to a public utility consistent with the permitted use of the Common Area; or

e) Apply insurance loss proceeds to repair, replace or restore non-Condominium improvements or property.

XII. CONDEMNATION. RSA 356-B:6 shall govern the rights of the Unit Owners and the Association in the event of a total or partial taking of a portion of the Condominium by eminent domain. Award proceeds shall be made payable to the Association for the benefit of the Unit Owners and their mortgagees as provided in Article VII (3) of the By-Laws. The Association shall represent the Unit Owners in any condemnation proceedings, negotiations, settlements, or agreements relative to the condemnation of any portion of the Condominium.

XIII. INVALIDITY. The provisions of this Declaration are severable so that if any provision, condition, covenant, or restriction is found to be invalid or void under any applicable federal, state or local law or ordinance, the remainder of this instrument shall not be affected.

XIV. ASSESSMENT OF COMMON LAND. It is understood that the Town of Thornton shall assess the Common Area proportionately among all the Unit Owners.

XV. DECLARANT RESERVATIONS. The Declarant's submission of Exhibit A to the Condominium Act is subject to the following additional rights reserved for the Declarant and others:

a) The Declarant, its successors and representatives, hereby reserve the right to place signs on the Condominium Land to market the Units in any location until all Units have been transferred to new Unit owners.

b) The Declarant's rights to complete and transfer all Units within the Condominium shall not be compromised or terminated by it by relinquishing control over the Association pursuant to RSA 356-B:36.

c) Rights reserved under Article VIII above together with the easement rights reserved to the Declarant pursuant to RSA 356-B:27 to facilitate the completion of any conversion, expansion or withdrawal.

XVI. WAIVER. Any failure by the Declarant or the Association to enforce certain provisions of the Condominium Instruments shall not be construed as a waiver, irrespective of any prior violations.

XVII. GENDER AND NUMBER. The use of the masculine gender herein shall be deemed to refer to the feminine gender and the use of the singular shall be deemed to refer to the plural.

IN WITNESS WHEREOF, Declarant has caused this Declaration to be executed this ____ day of _____

MAD RIVER DEVELOPMENT LLC

By : Gregory Myette & Timothy Klink
Its: Managers

STATE OF NEW HAMPSHIRE
GRAFTON COUNTY

This Instrument was acknowledged before me on this ____ day of _____, by Gregory Myette & Timothy Klink, Managers of MAD RIVER DEVELOPMENT , on behalf of MAD RIVER DEVELOPMENT LLC.

Notary Public
My Commission Expires:

EXHIBIT A

A certain tract or parcels of land, together with any improvements thereon and all rights, powers, easements, hereditaments and privileges appurtenant or belonging thereto, situated in Thornton, Grafton County, State of New Hampshire and being more particularly bounded and described as Tax Map 235, Lot 173 as shown on a plan by Bedford Design Consultants, Inc., dated August 13, 2024 entitled "Condominium Site Plan, Mad River Chalets, Located at Upper Mad River Rd, Thornton New Hampshire", and recorded in the Grafton County Registry of Deeds as Plan # _____ (the "Plan"). Reference to said Plan is made for a more particular description.

Subject to all rights, reservations, restrictive covenants and easements of record.

EXHIBIT B

BY-LAWS OF MAD RIVER CHALETS CONDO DEVELOPMENT

ARTICLE I PLAN OF UNIT OWNERSHIP

1. **PURPOSE.** The administration of the Condominium shall be governed by these By-Laws and made part of the Amended & Restated Declaration of Condominium & By-Laws of Button Woods II Condominium and shall bind all present and future Unit Owners.

2. **DEFINITIONS.** Terms not defined in these By-Laws or within Article II of the Declaration shall have the meanings specified in Section 3 of the Condominium Act.

3. **APPLICABILITY.** These By-Laws shall apply to the real property described on Exhibit A to the Declaration and govern its use, occupancy, sale, lease and/or transfer. All present and future owners, tenants, guests, licensees, servants, agents, employees or other persons entering onto the Condominium or occupying a Unit shall be subject to these By-Laws. The acceptance of a deed to a Unit within the Condominium shall constitute the Unit's Owner's acknowledgment, acceptance, ratification and agreement to comply with these By-Laws and the Declaration.

4. **OFFICE.** The physical office address of the Condominium is 4665 Route 6, Eastham, MA 02642 or such other place as may be designated from time to time.

ARTICLE II UNIT OWNERS' ASSOCIATION

1. COMPOSITION. All persons holding title to a Unit within the Condominium shall automatically become a member of the Association upon their acceptance of the delivery of the deed to their Unit. All members shall be responsible to assist with the administration of the Condominium by: (a) attending Association meetings; (b) abiding by the terms and conditions of the Condominium Instruments; (c) promptly paying Common Expense Assessments; (d) abiding by the Town of Thornton Zoning Ordinance; and (e) meeting other obligations imposed by the Condominium Act.

2. VOTING.

a) Vote of Unit Owners. Each Unit shall have one (1) vote, which may be cast in writing in person or by a proxy executed by the Unit Owner before a notary public or justice of the peace. All Owners listed on the deed to a Unit must execute the proxy for it to be effective. The holder of a proxy shall cast that Unit Owner vote in accordance with the proxy's terms. Once a vote is cast, a proxy shall immediately expire unless its terms expressly authorize the casting of more than one vote during that meeting. No proxy shall be effective once a meeting adjourns.

b) Disputed Vote. In the event a disputed vote is not resolved by an Association vote, or in cases of a Unit Owner dispute, the Association is authorized to refer the matter to arbitration or mediation if necessary and that outcome shall control. The Association or the disputing parties as the case may be, shall equally share the cost and expense of arbitration or mediation. Any party represented by counsel shall pay their own attorney fees.

c) Voting Qualification. An Owner shall be deemed to be in good standing and entitled to vote at any Annual or Special Meeting of the Association only if all Common Expense Assessments for their Unit which have become due and payable, with any chargeable interest, costs, attorneys' fees or penalties, are paid in full at least three (3) days prior to the meeting.

3. MEETINGS.

a) Dates and Notice of Meetings. Annual Association meetings shall be held on the first Saturday in January following the later of: (i) 90 days after the fifth (5th) Unit in the Condominium has been transferred to a third party; or (ii) the second anniversary date of this Declaration being recorded in the Registry.

b) Special Meetings. Special Meetings must be held within thirty (30) days of the Association receiving a petition executed

by at least three (3) Unit Owners in accordance with the procedures described herein.

c) Location. All Association meetings shall be held at the Condominium or such other place as stated in the notice. Written notices specifying the time, place and purpose of any such meeting shall be sent to each Unit Owner by the Association Clerk at least twenty-one (21) days in advance of the meeting. The Clerk shall attest by affidavit to the list of Unit Owners receiving notice which shall be kept in the Condominium Record Book for a minimum of three (2) years.

d) Quorum. A quorum shall mean at least five (5) Unit Owners or their proxy are present to vote at the beginning of a meeting.

e) Order of Meeting. The order of business at all Association meetings may be as follows: (i) roll call; (ii) recitation of notice of meeting; (iii) reading of minutes of preceding meeting; (iv) reports of Association officers; (v) reports of any committees; (vi) unfinished business; and (vii) new business. In the event of a special meeting, the order of business shall be tailored to the matter for which notice was provided.

f) Conduct of Meeting. The President, or their designated alternative, shall preside over all Association meetings and the Clerk shall keep and record the meeting minutes and resolutions adopted during that meeting in the Condominium Record Book.

g) Transfer of Control by Declarant. Upon the earlier of ninety (90) days after the Declarant transfers the fifth (5th) Unit in the Condominium, or the second anniversary date of this Declaration being recorded in the Registry, the Declarant shall relinquish all control of the Association to the Unit Owners subject only to the rights reserved in Article XVI of the Declaration.

4. NOTICE.

a) Manner of Notice. All notices, demands, bills, statements or other communications provided for or required under these By-Laws shall be in writing and be deemed delivered if personally sent by U.S. mail, return receipt requested or by electronic mail provided a receipt or other mode confirming the Unit Owner's receipt of that electronic notice is available. Addresses for notice shall be those provided by the Unit Owners and kept on file by the Clerk. It shall be the responsibility of the Unit Owner to maintain a current

mailing address, e-mail address and telephone number on file with the Clerk.

b) Waiver of Notice. Whenever any notice is required by the Declaration or these ByLaws, a written waiver signed by the person or persons entitled to such notice, whether signed before or after receipt of notice, shall be constitute an effective waiver under the Act.

5. ASSOCIATION POWER AND DUTIES.

The Association through its President and with the assistance of the Clerk and Treasurer shall manage the affairs and business of the Condominium as would a board of directors in accordance with the Act and the By-laws. The Association shall have the power from time to time to adopt rules and regulations it deems necessary for Unit Owners to enjoy the Condominium provided such rules and regulations do not conflict with the Condominium Act, the Declaration or these By-Laws. In addition to the general duties imposed by these By- Laws, the Association shall be responsible for:

a) Preparing the annual budget and monthly Common Expense Assessments.

b) Developing special assessment amounts as may be required to defray the Common Expenses of the Condominium, establishing a method to collect assessments from Unit Owners, depositing Common Expense Assessments payments in a bank approved by the Association officers and expending those amounts as required to maintain the Condominium.

c) Managing the operation, upkeep, replacement and maintenance of the Common Area and its improvements, shall include, but not be limited to snow removal on driveways; maintaining, landscaping and the Common Area irrigation system (if any); bi-annually pumping all septic tanks; replacing leach fields and repairing wells as may be required and meeting other obligations for which the Association has authorized a Common Expense Assessments. Long-Term Maintenance Plan – Inspection & Maintenance Manual for Stormwater Best Management Practices appended to the Drainage Computations.

d) Designating, hiring and dismissing a Managing Agent as directed by the Association and compensating subcontractors and suppliers hired by the Association.

e) Amending the Declaration and these By-Laws as may be required and bringing collection proceedings on behalf of the Association when required.

f) Securing and maintaining insurance policies for casualties and liabilities as provided in Article VI of these By-Laws and overseeing repairs caused by casualty losses.

g) Maintaining books of account showing the Association's receipts and expenditures.

h) Providing eligible mortgage holders and Unit Owners Common Expense Assessment statements when requested.

(i) Meeting all other obligations of the Condominium Act or the Condominium Instruments as may be authorized by the Association membership.

6. MANAGING AGENT.

a) By vote of the membership, the Association may enter into a property manager contract with a property management firm ("Managing Agent") to perform certain or all of the duties described in Articles IV & V of the By-Laws. Fees charged by the Managing Agent shall be chargeable as a Common Area Expense and included in the Association's budget. The term of any Managing Agent's contract may not exceed a period of two (2) years but may be renewed and shall provide for termination without cause by the Association upon ninety (90) days written notice.

b) If the Association or its Officers delegate specific powers and/or duties to a Managing Agent, referral fees received from contract work performed by the Managing Agent for individual Unit Owners shall be disclosed to the Association Officers unless disclosed in the Managing Agent's contract with the Association.

c) Upon written request from the Association, the Managing Agent shall, irrespective of any language to the contrary in any management contract, return all Association records in its possession within thirty (30) days to the Association. At its own

expense, the Managing Agent may copy records it wishes to retain. If the Managing Agent fails to timely return the Association's records, the Association may institute a lawsuit for that purpose, and request an order from the Court awarding the Association its reasonable legal fees and costs.

7. AVAILABILITY OF RECORDS. The Association shall make available to all Unit Owners, prospective purchasers, mortgagees, insurers or guarantors of any mortgage encumbering a Unit, current copies of the Declaration, By-Laws, books, records and financial statements of the Association upon request. "Available" means available for inspection during normal business hours or under other reasonable circumstances. Any eligible mortgage holder, insurer or guarantor of a mortgage encumbering a Unit shall be entitled to receive a financial statement for the immediately preceding year within thirty (30) days of a written request

8. LICENSES AND EASEMENTS. The Association, on its behalf or for any individual Unit Owner for which written notice has been provided, shall have power and authority to grant permits, licenses and easements over the Common Area for utilities as may be reasonably necessary or useful to operate the Condominium. Each Unit Owner by accepting the conveyance of a Unit, and for the sole purpose set forth in this subparagraph, grants to the Association irrevocable power of attorney to execute any and all such permits, licenses and easements for this purpose only.

9. FIDELITY BONDS. The Association may require its Officers, its Managing Agent or other person handling or responsible for Association funds to furnish an adequate fidelity bond. The total amount of fidelity bond coverage shall be no less than the lesser of: (a) the estimated maximum amount of funds held in the Association's operating account plus its, reserve funds at any given time during the term of the bond, or (b) an amount equal to three (3) months of Common Expense Assessment payments paid by all Unit Owners, the reserve funds. The premium on such bond shall constitute a Common Expense when required for an Association officer. Bonds must include a provision that calls for ten (10) days' written notice to the Association before a bond may be cancelled or substantially modified for any reason.

ARTICLE III OFFICERS & BOARD OF DIRECTORS

1. **ELECTION OF OFFICERS.** The Association shall elect a President, Treasurer and Clerk each year during its annual meeting and fill any vacancy at its regular meeting, or any special meeting called for that purpose. All persons elected to hold office shall demonstrate they hold legal title to a Unit.

2. **PRESIDENT.** The President shall be the chief executive officer of the Association, preside over all Association meetings and actively manage the Condominium to ensure all Association orders and resolutions are carried into effect.

3. **CLERK.** The Clerk shall attend all Association meetings, record the minutes in the Condominium Record Book, provide formal notice of all Association meetings, keep the Condominium Record Book in their possession and perform such other duties as may be prescribed by the President. The Clerk shall compile and maintain a complete list of Unit Owners with their last known mailing address and e-mail address at the principal office of the Condominium. The mailing list shall be open to all Unit Owners and other persons lawfully entitled to that information during reasonable business hours but shall otherwise remain confidential.

4. **TREASURER.** The Treasurer shall have custody of all funds, unless the Association retains a Managing Agent, keep full and accurate records of Association receipts and disbursements and prepare all required financial reports for the Association. The Treasurer shall disburse funds as ordered by the President or as approved by the Association as the case may be, and provide an account of the financial condition of the Condominium to the President and Unit Owners prior to the Annual Association meetings or as may be otherwise requested by the President.

5. **AGREEMENTS. CONTRACTS, DEEDS. CHECKS, ETC.** All agreements, contracts, deeds, leases, checks and other expenditures by the Association shall be approved by the President, and either the Treasurer, Clerk or such other person or persons as may be designated by the Association to execute checks to meet its obligations.

6. **COMPENSATION OF OFFICERS.** No officer shall receive any compensation from the Condominium but shall be entitled to reimbursement for any out-of-pocket expenses.

7. **INDEPENDENT BOARD OF DIRECTORS.** The Association may elect an independent Board of Directors

("Board") whose members may also hold an Officer position should the members determine that it is necessary, but shall not be obligated to do so. In the event the Association chooses to do so, it shall also determine the powers and authority held by the Board over matters involving the Condominium as distinguished from those of the President, Treasurer and Clerk.

ARTICLE IV ASSOCIATION BUDGET

1. ASSOCIATION BUDGET & COMMON EXPENSES ASSESSMENTS.

a) Fiscal Year. The fiscal year of Condominium shall consist of the twelve (12) month period commencing on January 1 of each year and terminating on December 31 of the same year, but be subject to change by the Association.

b) Preparation and Approval of Budget. Each year the Association shall adopt a budget for the Condominium containing an estimate of the total cost to maintain, manage, operate, repair and/or replace the Common Area improvements for the upcoming year ("Budget"). Costs may include charges for materials, insurance, services, supplies and other expenses characterized as Common Expenses under the Condominium Act, the Declaration, these By-Laws or by vote of the Association. The Budget shall also include a minimum ten percent reserve payment which may be increased by the Association when necessary to cover anticipated capital expenses. The Budget approved by the Association shall be the basis for determining the amount to be assessed monthly to each Unit Owner for Common Expenses ("Common Expense Assessment").

c) Assessment and Payment of Common Expenses. Common Expense Assessments shall constitute an inchoate lien against each Unit within the Condominium as permitted by the Act. Any excess amount accumulated from Common Expense Assessments shall upon vote of the Association, be returned proportionally to the Unit Owners or credited to each Unit Owner's account as part of the Budget process each year. In the event of a shortfall in the Budget and upon learning of the same, the Officers of the Association shall be authorized to increase the remaining installments due from Unit Owners for the remaining fiscal year by up to twenty percent (20%) provided the reason for the increase relates to an expenditure previously approved by the Unit Owners without Association approval. Increases under this provision shall not exceed one hundred and twenty percent (120%) of the prior year's Budget, unless the Association holds a formal meeting in accordance with Article II(3)(a) of the By-Laws for which notice and an opportunity for the Association members to be heard.

d) Reserves. The Association shall maintain an adequate operating reserve to repair or replace the Common Area improvements as part of its regular monthly Common Expense

Assessment. If for any reason, including the non-payment of any Common Expense Assessment, the reserves are found by the Officers to be inadequate, a further reserve assessment may be imposed in one lump sum, or in monthly installments within the parameters set out in Paragraph l(c) herein.

e) Working Capital Reserve. An initial contribution of the Association's operating account, equal to a one (1) monthly Common Expense Assessment shall be due upon the initial conveyance of a Unit from the new Unit Owner, with a prorated portion of the Common Expense Assessment amount due on the first of the following month.

f) Effect of Failure to Prepare or Adopt Budget. Any failure by delay by the Association to prepare or adopt a Budget for any fiscal year shall not constitute a waiver of a Unit Owner's obligation to pay his or her Common Expense Assessment. In those instances, a Unit Owner shall continue to pay their Common Expense Assessment in amounts equal to those of the prior year until a new Budget and a new monthly Common Expense Assessment amount is approved by the Association membership.

2. PAYMENT OF COMMON EXPENSES. All Unit Owners shall be obligated to pay an equal share of the Common Expenses. No Unit Owner shall be exempted from paying Common Expenses by waiver or by abandonment of his Unit. No Unit Owner shall be liable to pay Common Expenses assessed against their Unit subsequent to its sale, transfer or conveyance to a third party. Unit Owners shall remain jointly and severally liable for unpaid assessments, late fees and other amounts assessed against their Unit until transfer.

3. COLLECTION OF ASSESSMENTS. The Association shall take prompt action to collect overdue Common Expense Assessments which become delinquent by remaining overdue for sixty (60) days.

4. LIEN FOR ASSESSMENTS.

a) Assessments levied pursuant to these By-Laws shall be considered an inchoate lien levied against a Unit as provided in the Condominium Act. If a balance for monthly Common Expense Assessments remains overdue and outstanding for sixty (60) days or more. A Memorandum of Lien may be recorded in the Registry against that Unit provided it is properly perfected as provided for in RSA 356:B:46. A properly perfected Memorandum of Lien shall have priority over any first mortgage or first deed of trust encumbering that Unit and shall be limited to the immediately preceding 6-month period prior to the Memorandum of Lien being recorded and may include the Association's costs of collection and reasonable attorneys' fees.

b) Proper perfection of a Memorandum of Lien requires the Association provide the Unit Owner and their first mortgagee written notice of the delinquency, by certified and regular mail, within seventy (70) days of its occurrence, provided the account is at least sixty (60) days delinquent. A second notice shall be sent to the Unit Owner and their first mortgagee by certified and regular mail notifying of the Association's intent to record a Memorandum of Lien in the Registry at least thirty (30) days prior to the intended date of recording. When notifying mortgagees, the Association may rely upon records recorded in the Registry.

c) The priority lien rights granted by RSA 356-B:46 and this paragraph do not permit the Association to record more than one Memorandum of Lien. Upon receiving such notice from the Association, a first mortgagee may require the Unit Owner to place an amount equal to not more than six (6) months of regular assessments in escrow to cover the cost of any future delinquency.

d) Notwithstanding any other provision of this section, or any other provision of law, all Memorandums of Lien arising under this section shall be recorded in the Registry and indexed to the Unit Owner's deed and to Mad River Chalets Condominium.

e) A Memorandum of Lien may not include amounts attributable to special assessments, late charges, fines, penalties, or interest assessed by the Association, shall be verified by the oath of a duly authorized officer of the Association and shall contain the following:

- (i) A description of the condominium unit in accordance with RSA 356-B:9;
- (ii) The name or names of Unit Owners;
- (iii) The amount currently due or past due together with the date when each amount became due; and
- (iv) The date of issuance of the Memorandum of Lien.

f) No suit by the Association to enforce rights granted under a Memorandum of Lien shall be brought after six (6) years from the date the Memorandum of Lien was recorded. Any petition to enforce filed with the court shall be regarded as instituted under this section.

g) The judgment or decree in an action brought pursuant to this section shall include, without limitation, a separate request for the Unit Owner to reimburse the Association for costs and attorneys' fees, together with interest at the maximum lawful

rate for the sums secured by a Memorandum of Lien dating back to when such sums became due and payable.

h) When payment or satisfaction is received by the Association for a Common Expense Assessment subject to a Memorandum of Lien, a discharge shall be promptly recorded in the same manner as required by RSA 479:7 for mortgages. With the cost of the recording also being assessed to the delinquent Unit Owner. The principal officer of the Association, or such other duly authorized officer of the Association shall execute the discharge.

i) Nothing in this section shall be construed to prohibit actions at law to recover sums recoverable pursuant to RSA 356-B:15.

j) Any Unit or purchaser of a Unit, having executed a purchase contract for the sale of their Unit, shall be entitled upon request to a statement from the Association setting forth the amount of unpaid Common Expense Assessments currently levied against their Unit. Such request shall be in writing, directed to the Clerk of the Association, Failure to furnish or make available such a statement within ten (10) business days from the receipt of such request shall extinguish any future lien created under this Section as to that Unit. Such statement shall be binding on the Association, its Officers and every Unit Owner. Payment of a fee not exceeding \$10.00 may be required as a prerequisite to the issuance of such a timely statement authorized by the Association.

k) Notwithstanding any law, rule, provision of the Declaration, By-Laws, or rules to the contrary, the Association may after thirty (30) days' prior written notice to the Unit Owner send a letter to a Unit Owner's first mortgagee to report the nonpayment of Common Expense Assessments for the Unit encumbered by their mortgage, before terminating the delinquent Unit Owner's privileges or services. Upon the arrearage being paid in full, services and privileges shall be restored.

ARTICLE V OPERATION OF PROPERTY

1. OVERSIGHT. The President of the Association shall be responsible to oversee all maintenance, repairs and restoration of the Common Areas with the assistance of the Treasurer and the Clerk.

2. MAINTENANCE AND REPAIR.

a) By the Association. Except as otherwise provided in Section 2(b) herein, the Association through its Officers or its Managing Agent, as the case may be, shall be responsible for:

- (i) Repair, maintenance and plowing of the individual driveways for each Unit;
- (ii) Repair, maintenance and replacement of any pavement once it exceeds its economic life;
- (iii) Maintenance, repair and inspection of all drainage and stormwater facilities installed within the Common Area;
- (iv) Maintenance, repair and inspection of the drainage area located within the Common Area;
- (v) Maintenance of all landscaping, and lawn irrigation systems within the Common Area;
- (vi) Biannual pumping of all septic tanks owned by the Unit Owners and any eventual replacement when they exceed their economic life;
- (vii) Maintenance of all pipes, chutes, conduits, wires, meters and other improvements associated with the utilities within the Common Area serving more than one Unit owner;
- (viii) Maintenance, repair and replacement of the Unit roofs;
- (ix) Such other duties approved by the Association.

b) By the Owner. Each Unit Owner shall be responsible for:

- (i) For all maintenance, repairs and replacements for their entire Unit, its deck and/or patio;
- (ii) Any required water treatment for their water; and
- (iii) Ensuring the Limited Common Area surrounding their Unit remains tidy and free from debris.

c) Manner of Repair and Replacement. All repairs and replacements by the Association or a Unit Owner shall be substantially similar to the original installation, unless otherwise approved by the Association. Unit Owners shall remain responsible to reimburse the Association or other Unit Owners for all damage caused to other Units and/or to the Common Area resulting from their failure to: (a) maintain their Unit in good condition; (b) complete regular and preventive maintenance; or (c) report known damage to Common Areas to the Association.

ARTICLE VI INSURANCE

1. **INSURANCE REQUIRED.** Pursuant to Section 43 of the Condominium Act, the Association shall obtain (i) a master casualty policy for fire, extended coverage, liability, vandalism, malicious mischief for the Common Area and its improvements; (ii) a master liability policy in an amount no less than One Million and No/100 Dollars (\$1,000,000.00) for bodily injury and property damage per occurrence covering the Association, the Common Area and its management of the Condominium; and (iii) such other policies found necessary by the Association.

2. **PROCUREMENT OF ASSOCIATION
INSURANCE POLICIES.**

a) Officers of the Association shall act its behalf when dealing with the insurer or insurance agent when securing coverage, to adjust claims and make any necessary changes to coverage and expiration dates.

b) All policies covering physical damage shall contain: (i) waivers of subrogation by the insurer as to claims against the Association, its agents, the Managing Agent, Unit Owners and permitted occupants of a Unit, except in cases of arson and fraud; (ii) a waiver of defense, invalidity or prejudice on account of conduct over which the Association has "no control"; (iii) a waiver of defense, invalidity or prejudice by any failure of the Association or Unit Owners, to comply with any warranty or condition regarding any portion of the Condominium over which the Association or the Unit Owners have no control; (iv) a provision that no policy may be cancelled or substantially modified without at least thirty (30) days written notice to all Unit Owners and their mortgagees; and (v) a statement that insurance coverage under said policies shall not be brought into contribution with any individual Unit Owner policies or those of their mortgagee.

c) **INDIVIDUAL INSURANCE POLICIES.**

a) Unit Owners shall obtain fire and extended insurance coverage for their Unit at their own expense in an amount equal to its replacement cost. Such insurance should contain the same waiver of subrogation provisions as that set forth in Section 2(b) herein and include additional coverage for loss or damage to personal property, additional living expenses, vandalism or malicious mischief, theft, personal liability and the like as may be required.

b) No Unit Owner policy shall be written so as to decrease the coverage available under Association policies and each Owner hereby agrees to assign any excess proceeds paid by their carrier for Common Area damage to the Association. Copies of Owner policies or confirmation of coverage shall be filed with the Association.

3. NOTICE TO UNIT OWNERS. When any policy of insurance has been obtained for the benefit of the Association, written notice of that policy and any subsequent changes or termination shall be promptly furnished to each Unit Owner by the Association's Clerk in accordance with the notice provisions of the By-Laws.

ARTICLE VII REPAIR AND RECONSTRUCTION AFTER CASUALTY LOSSES OR CONDEMNATION

1. WHEN REPAIR AND RECONSTRUCTION ARE REQUIRED. Subject to the provisions of the Declaration, in the event of damage to, or destruction of, all or part of the Common Area due to casualty loss or condemnation, the Association shall arrange for and supervise the prompt repair and restoration of any damaged or destroyed areas.

2. PROCEDURE FOR RECONSTRUCTION AND REPAIR.

a) Immediately after a casualty loss, the Association shall obtain reliable and detailed estimates of the cost to repair damage to the Common Area to a condition as good as existed before such casualty. Such cost may also include professional fees and premiums for bonds as the Association determines to be necessary.

b) If the proceeds of insurance are not sufficient to cover the estimated costs of reconstruction and repair, the Association is hereby authorized to assess the Unit Owners proportionally for those additional costs.

c) Any such reconstruction or repair shall be substantially in accordance with the original improvements. This subsection (c) may not be waived or amended by the Unit Owners without the written approval of Eligible Mortgage Holders holding mortgages on Units having seventy-five percent (75%) of the votes of Units subject to mortgages held by the Eligible Mortgage Holders.

d) Encroachments upon, or in favor of the 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 a Unit Owner upon whose property such encroachment exists, provided that such reconstruction is substantially in accordance with original plans and specifications.

3. DISBURSEMENTS OF CONSTRUCTION FUNDS.

- a) The net proceeds of insurance proceeds from a casualty loss and funds collected by the Association from proportional assessments against Owners shall constitute a reconstruction fund which shall be disbursed to reconstruct and repair of the Common Area.
- b) The Association shall disburse the construction funds as progress payments to contractors, suppliers and personnel engaged in performing the restoration work or to supply materials or services for that purpose after receiving mechanic liens waivers from those vendors.
- c) It shall be presumed that the first monies disbursed for reconstruction and repair shall be from insurance proceeds and if a balance remains in the construction fund after the repairs have been completed, it shall be distributed proportionally to the Owners.

- 4. PAYMENT OF INSURANCE DEDUCTIBLE.** In the event a claim is submitted to the Association's insurance carrier for damage to the Common Area, the Officers may require the Unit Owners to proportionally reimburse the Association for any deductible should the insurance proceeds not cover the full cost of repairing and/or restoring the Common Area, to its original condition. A finding by the Officers that a particular Unit Owner is obligated to reimburse the Association for the deductible or any other loss amount shall require: (a) a written insurance adjuster determination that a particular Unit is the cause of the particular loss; and (b) the damage suffered was due to the Unit Owner's negligence.

**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 their Unit without including its exclusive right to its Limited Common Area and its undivided interest in the Common Area to prevent any severance of ownership. Any such deed, lease, mortgage, or other instrument purporting to affect one or more of such interests, without including those interests, shall be deemed and taken to include them, even though the latter shall not be expressly mentioned or described in that instrument. Except to

the extent otherwise provided by the Declaration, these Bylaws or the Condominium Act, the undivided interests 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 as a matter of law.

2. PAYMENT OF ASSESSMENTS. No Owner shall be permitted to convey, mortgage, sell, lease, gift or devise a Unit unless they or their personal representative, shall have paid all unpaid Common Expenses and other amounts due and owing to the Association. Upon request, the Association shall promptly furnish to any Owner, their devise or their personal representative, a written summary of the balance owed to the Association with a recordable statement certifying whether or not such Owner is obligated for other charges for their Unit.

ARTICLE IX AMENDMENT TO BY-LAWS

1. AMENDMENTS. Except as otherwise provided in the Condominium Act or herein, these By-Laws may be amended by an affirmative vote of at least two-thirds (2/3) of the Units Owners cast in person or by proxy at a meeting duly noticed and held in accordance with these By-Laws.

2. RECORDING. Any modification or amendment of these By-Laws shall become effective upon its recording in the Registry.

3. CONFLICTS. No modification or amendment of these By-Laws shall be inconsistent with the provisions of the Condominium Act or with the provisions of the Declaration. An amendment once adopted and recorded shall become part of the official By- Laws and all Unit Owners shall be bound to abide by such amendment, a copy of which shall be kept in the Condominium Record Book.

4. APPROVAL OF MORTGAGEES. These By-Laws contain provision's concerning various rights, priorities, remedies and interests held by mortgagees of the Units. Such provisions in these By-Laws are to be construed as covenants for the protection of all mortgagees on which they may rely when making loans secured by mortgages on the Units. Mortgagees shall be given thirty (30) days notice of all proposed amendments of these By-Laws or the Declaration which establish, provide for, govern or regulate any of the following matters:

- a) Voting;

- b) Assessments, assessment liens or subordination of such liens;
- c) Reserves for maintenance, repair and replacement of Common Areas;
- d) Insurance or Fidelity Bonds;
- e) Rights in the Common Areas;
- f) Responsibility for maintenance and repair of the Units or Common Area;
- g) Boundaries of any Unit;
- h) Interests in the Common Areas;
- i) Convertibility of Units into Common Area or Common Area into Units;
- j) Imposition of any right of first refusal or similar restriction on the right of a Unit Owner to sell, transfer, or otherwise convey their Unit
- k) Any provisions for the express benefit of mortgage holders, Eligible Mortgage Holders or Eligible Insurers or Guarantors of first mortgages on Units.

ARTICLE X MORTGAGEES

1. **NOTICE TO ASSOCIATION.** An Owner who mortgages their condominium Unit shall notify the Association of the name and address of their mortgagee, or its assignee.

2. **NOTICE TO MORTGAGEES, INSURERS & GUARANTORS.** Upon written request to the Association identifying the name and address of the mortgage Holder, Insurer or Guarantor with the Unit number and address of that Unit, that mortgage Holder, Insurer or Guarantor shall be entitled to notice of:

- a) Any condemnation or casualty loss affecting a material portion of the Condominium or the Unit on which it holds a first mortgage, insured, or guaranteed by such Eligible Mortgage Holder or Eligible Insurer or Guarantor, as applicable;

b) Any delinquency in the Unit Owner's payment of Common Expense Assessments or other charges due to the Association which remains uncured for a period of sixty (60) days;

c) Any lapse, cancellation or material modification of any Association insurance policy or fidelity bond exceeding a value of One Thousand and No/100 Dollars (\$1,000.00) about which the Association has knowledge, or damage to the Common Area exceeding Ten Thousand and No/100 Dollars (\$10,000.00); or

d) Any proposed action by the Association requiring the consent of a specified percentage of mortgage holders.

ARTICLE XI COMPLIANCE AND DEFAULT

1. **RELIEF.** Each Unit Owner shall be governed by, and shall comply with, all of the terms of the Act, the Declaration and these By-Laws as they may be amended. In the event of default, the Association shall be entitled to the following relief:

a) **Legal Proceedings.** A Unit Owner's failure to comply with any of the terms of the Declaration or these By-Laws shall be grounds for relief by any Unit Owner or the Association. Such action may be to recover any sum due for money damages, injunctive relief, foreclosure of a Memorandum of Lien or any other relief provided for in these By-Laws, which may be granted by a court of competent jurisdiction. Nothing contained herein shall be deemed to limit the right of any Unit Owner to commence legal proceedings against the Association for any violation of the Act, the Declaration or these By-Laws due to another Unit Owner's default. Notwithstanding any injunctive relief which might be sought from a court of competent jurisdiction, disputes between Unit Owners arising under the Condominium Instruments shall first be addressed through mediation or arbitration pursuant to Article II(2)(b) of these By-Laws.

b) **Additional Liability.** Each Unit Owner shall be liable for all costs associated with the maintenance, repair or replacement of their Unit and any loss suffered due to their acts, neglect or carelessness or the acts, neglect or carelessness of their family members, 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 Association. Such liability shall also include any increase to the Association insurance premiums occasioned by that Unit Owner's use, misuse, occupancy or abandonment of their Unit. Nothing contained in these By-Laws shall be construed as modifying any waiver by an insurance company of its rights of subrogation against a negligent party listed herein.

c) Costs of Attorneys' Fees. In any proceeding arising out of any alleged default by a Unit Owner, the prevailing party shall be entitled to recover the costs of those proceedings, with reasonable attorneys' fees as may be determined by the court.

d) No Waiver of Rights. The failure of the Association or of any Unit Owner to enforce any right, provision, covenant, or condition which may be granted by the Declaration or these By-Laws shall not constitute a waiver of the right of the Association, or any Unit Owner to enforce such right, provision, covenant or condition in the future. All rights, remedies and privileges granted to the Association, or any Unit Owner pursuant to any term, provision, covenant or condition of the Declaration or these By-Laws 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 other rights and privileges granted by the Declaration, these By-Laws or New Hampshire law.

e) Interest. In the event any Unit Owner fails to pay their monthly Common Expense Assessment for a period in excess of thirty (30) days, such Unit Owner shall be obligated to pay interest at the rate of twelve percent (12%) per annum or such rate of interest approved by the Association on that amount, dating back to the original due date of first outstanding payment.

ARTICLE XII RESALE OF UNITS

Upon any resale of a Unit, the Unit Owner shall deliver, with the assistance of Association officers as may be required, to the prospective owner:

1. A statement of all outstanding Common Expense Assessments, if any as provided for in the By-Laws.

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

3. A statement of the status and amount of any amount reserved for the major maintenance or capital improvement of any portion of either fund earmarked for any specified project by the Association.

4. A copy of the income statement and balance sheet of the Association for the last fiscal year.

5. A statement of and status of any pending suits or judgments in which the Association is a party defendant.

6. A statement setting forth the master policy insurance coverage provided by the Association and the insurance coverage a Unit Owner must secure.

7. A statement that any improvements or alterations to the Unit or the Common Areas by the prior Unit Owner are not known to be in violation of the Condominium Instruments.

ARTICLE XIII COMPLIANCE, CONFLICT AND MISCELLANEOUS PROVISIONS

COMPLIANCE.

These By-Laws comply with the Condominium Act and New Hampshire law and in the event of any conflict, New Hampshire law shall control.

SEVERABILITY.

If any provision of these By-Laws or any section, sentence, clause, phrase, word or the application thereof in any circumstance is held invalid, the validity of the remainder of these By-Laws shall not be affected and the remainder shall be declared severable.

WAIVER.

No restriction, condition, obligation or provision of these By-Laws shall be construed as abrogating or waiving these By-Laws should the Association not take enforcement action.

CAPTIONS.

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

GENDER, ETC.

Whenever in these By-Laws the context so requires the singular number shall include the plural and the converse; and the use of any gender shall be deemed to include all genders.

EXHIBIT C
ANNUAL OPERATING EXPENSE AND RESERVE BUDGET
FOR MAD RIVER CHALETS
CONDOMINIUM AS OF _____

EXPENSE	BUDGET
Master Insurance Policy	
Landscaping	
Plowing, Sanding	
Septic Tank Pumping	
SUBTOTAL	
10% Reserve Contribution	
TOTAL	
ESTIMATED MONTHLY COMMON EXPENSE ASSESSMENT	