

DECLARATION OF CONDOMINIUM  
OF  
STONEGATE CONDOMINIUMS

WHEREAS, John Fitzpatrick in his capacity as Trustee of Stonegate Realty Trust, c/o New Meadows Marina, Box 5541, Old Bath Road, Brunswick, County of Cumberland and State of Maine, is the sole owner of the lands and buildings to be described herein located on 819 Lafayette Road, Hampton, County of Rockingham and State of New Hampshire, he hereby declares his intent to submit the lands herein described and improvements thereon to the condominium form of ownership and use in the manner provided by New Hampshire Revised Statutes Annotated, Chapter 356-B, The Condominium Act. The owner shall henceforth be called "Declarant" for purposes of this Declaration, and said term shall apply to the owner, his successors and assigns. The name of the Condominium hereby created shall be "STONEGATE" and it shall be located at 819 Lafayette Road, Hampton, New Hampshire.

I. DEFINITIONS

The terms herein shall have the meaning stated in The Condominium Act, and as follows, unless the context otherwise requires.

1. Association means STONEGATE UNIT OWNERS ASSOCIATION and its successors.
2. Common Area means the area, facilities and all portions of the Condominium other than units.
3. Limited Common Areas means those areas reserved for the exclusive use of one or more of the units but less than all of the units.
4. Common Expenses include: All expenditures lawfully made or incurred by or on behalf of the unit owner's Association, together with all funds lawfully assessed for the creation and/or maintenance of reserves pursuant to the provisions of the Condominium instruments.
5. Declarant means Stonegate Realty Trust which term is interchangeable with the word Declarant.
6. Unit means a single unit.
7. Singular, plural, gender: Whenever the context so permits, the use of the singular shall include the plural, and the use of any gender, shall be deemed to include all genders.

II. LEGAL DESCRIPTION BY METES AND BOUNDS OF THE LAND SUBMITTED FOR CONDOMINIUMS AS REQUIRED BY R.S.A. 356-B: 16 (c):

1. See Appendix B attached hereto and incorporated herein.

III. DEVELOPMENT PLAN.

This condominium consists of one (1) building with Two (2) two (2) bedroom units, and four (4) commercial units. The condominium is a conversion condominium and construction is complete.

IV. DESCRIPTION OF THE BOUNDARIES OF THE UNITS INCLUDING THE HORIZONTAL BOUNDARIES AS WELL AS THE VERTICAL BOUNDARIES AS REQUIRED BY R.S.A. 356-B 16 (d).

The Condominium consists of one (1) building containing Six (6) units, commercial units one (1) through four (4) inclusive and residential units one (1) and two (2) inclusive. Each commercial unit is numbered one (1) through four (4) respectively and residential units are numbered one (1) and two (2) respectively as is shown on "Site Plan for Stonegate Condominiums in Hampton, N.H., Scale 1" = 10', November 20, 1986, Seacoast Engineering Associates, Inc., One Bayside Road, Greenland, N.H. Said plans are incorporated herein and made a part hereof and are recorded in Rockingham County Registry as plan # \_\_\_\_\_ and on Floor Plan entitled Condominium Floor Plan Stonegate, 819 Lafayette Road, Hampton, N.H., Scale: As Noted, November 24, 1986, Seacoast Engineering Associates, Inc., One Bayside Road, Greenland, N.H.

The boundaries of the units shall be as follows:

- A. Floors: The upper surface of the subflooring.
- B. Ceilings: For the First floor units, the planes of the lower surface of the ceiling joists. For the second floor units, the lower plane of the roof rafters as the attics are part of the units.
- C. Interior Walls Between Units: The plane of the surface of the wall stud facing the interior of the unit.
- D. Exterior Walls: The plane of the interior surface of the wall stud.
- E. Windows and Doors, Utilities, Appliances: The units also include any windows, doors, furnaces, exhaust fans, air conditioners, disposals, or other appliances therein.

The parking for the project is located on the ground level.

3

The following spaces are assigned to the following units.

First Floor Unit 1, Spaces 6 & 7

First Floor Unit 2, Spaces 8 & 9

First Floor Unit 3, Spaces 12 & 13

First Floor Unit 4, Spaces 18 & 19

Second Floor Unit 1, Spaces 14 & 15

Third Floor Unit 2, Spaces 16 & 17

The remaining spaces shall be for the use of all occupants, their customers and guests. The assigned parking spaces shall be limited common area to the units to which they are assigned and the remaining spaces shall be limited common area.

The spaces on the sign at the front of the complex is assigned as follows:

First Floor Unit 2 is assigned the upper 12 inches.

First Floor Unit 1 is assigned the next 18 inches.

First Floor Unit 3 is assigned the next 18 inches.

First Floor Unit 4 is assigned the last 18 inches.

V. DESCRIPTION OF THE LIMITED COMMON AREAS, SHOWING OR DESIGNATING THE UNITS TO WHICH EACH IS ASSIGNED.

The only Limited Common Area shall be the parking spaces assigned to each unit and the access hallway to upstairs units # 1 and # 2 is reserved as limited common area for said units. The decks adjacent to each unit are part of the unit.

VI. DESCRIPTION OF ALL COMMON AREAS NOT WITHIN THE BOUNDARIES OF ANY CONVERTIBLE LAND WHICH MAY SUBSEQUENTLY BE ASSIGNED AS LIMITED COMMON AREA.

The entire project with the exception of the areas comprising the Units and the Limited Common Areas constitutes Common Area as shown on the Site and Floor plans.

VII. ALLOCATION TO EACH UNIT OF AN UNDIVIDED INTEREST IN THE COMMON AREAS IN ACCORDANCE WITH R.S.A. 356-B: 17.

Each unit shall have an undivided 1/6th interest in the common areas.

VIII. STATEMENT OF PURPOSES, USE AND RESTRICTIONS, AS REQUIRED BY NEW HAMPSHIRE R.S.A. 356-B: 16 (h).

*not in correct size*

4

1. The Declarant shall have the right to transact any business on the Condominium property necessary to consummate sales of Condominium Units, including, but not limited to the right to maintain models, having signs identifying Units, maintaining employees in the offices, use of the Common Areas and facilities on the Condominium property, and to show Units for sale. All furniture and furnishings and equipment in the model Units, signs and all items pertaining to sales shall not be considered Common Areas and facilities and shall remain the property of the Declarant. In the event there are unsold Condominium Units, Declarant's right as the Owner of said unsold Units shall be the same as all other Unit Owners in the Condominium and the Declarant, as the Owner of the Condominium Units, shall contribute to the common expenses in the same manner as other Condominium Units Owners and shall have a vote in the Association for each unsold Condominium Unit.

The Declarant shall also have the following rights, no matter how many units have been sold until such time as the entire project is completed and has been sold:

- a. Execute all documents and take such actions and do such acts affecting the condominium property which, in the Declarant's sole discretion, are necessary to facilitate the actual construction, development and sale of the condominiums.
- b. The Declarant reserves the right to grant to any public or private utilities or governmental bodies easements and/or rights of way for the installation and maintenance of electrical and telephone conducts and lines, gas pipes, sewer and water pipes, cable television or any other utility services serving the project, the common areas, or any unit.

2. Except as herein provided, no unit shall be used for any purpose except as designated herein.

3. Nothing shall be done or kept in any Unit or in the Common Area which will increase the rate of insurance in the Common Areas without the prior written consent of the Board of Directors. No Owner shall permit anything to be done or kept in his Unit or in the Common Areas

5

which will result in the cancellation of insurance of any Unit or any part of the Common Areas or which would be in violation of any law. No waste will be permitted in the Common Areas except in closed containers, provided therefor.

4. No sign of any kind shall be displayed to the public view on or from any Unit without the prior consent of the Board of Directors.

5. No animals, livestock or poultry of any kind except for small household pets of the common variety shall be raised, bred, or kept in any Unit or in the Common Area without the express written permission of the Board of Directors or Manager, as the case may be.

6. No noxious or offensive activities shall be carried on in any Unit, in the Common Area nor shall anything be done therein which may become an annoyance or nuisance to the other Unit Owners.

7. Nothing shall be altered or constructed or removed from the Common Area except upon the written consent of the Board of Directors.

8. There shall be no violation of the rules of the use of the Units or Common Area as adopted in the first instance by the Declarant and thereafter by the Board of Directors and furnished in writing to the Owners, and the Declarant and Board of Directors are authorized to adopt such rules.

9. Insofar as may be necessary the Declarant and persons that he may select shall have the right of ingress and egress over, upon and across the Common Area and the right to store materials thereon and to make such other use thereof as may be reasonable, necessary and incidental to construction, and complete development and sale of the project, but the Declarant and the persons to whom he has granted this permission shall not unduly interfere with the Unit Owners or persons living in the Units and their rights to use the Common Areas and facilities.

10. An owner shall not paint or otherwise decorate or change the appearance or the type of exterior siding of any portion of the exterior of any of the building(s) without the prior consent of the Board of Directors.

11. No Unit Owner shall make any alterations to the exterior of his Unit, nor construct any new exterior structure or appurtenance

*Jena*

without the consent of all of the Unit Owners. Any Unit Owner shall have the right to make interior decorating improvements or any interior changes which do not affect any facilities except for utilities which are shared with the other Units.

12. No parking space assigned to a unit owner as Limited Common Area shall be used as a parking space by any person other than the unit owner or such person as he may designate.

13. No Residential unit shall be occupied at any time by more than three (3) persons per bedroom which the unit contains at the time of occupancy. For purposes of this provision the number of persons occupying a unit shall be that number of persons staying overnight.

IX. MANNER OF DETERMINING APPROPRIATE ACTION FOLLOWING DAMAGE TO ANY PORTION OF THE CONDOMINIUM BY FIRE OR OTHER CASUALTY AS REQUIRED BY R.S.A. 356-B: 16 (1)

1. Common Area: If the casualty loss is to a common area it shall be reconstructed or repaired at the expense of the Association. Any part of a building which is not part of a unit shall be considered to be a common area.

2. Unit: If the casualty loss is to a Unit it shall be reconstructed or repaired at the expense of the Unit Owner. Such reconstruction or repair shall be commenced within 60 days of the loss and completed within 120 days of the loss provided, however, that the owner shall have the option not to reconstruct but if he does not do so he will, within 60 days of the loss, convey his interest in the Unit and Common to the Association.

3. Any reconstruction or repair to a unit shall be identical to the previous design and dimensions of the original unit.

4. Estimate of Costs: Immediately after determination to rebuild or repair damaged property for which the Association has the responsibility of reconstruction and repair, the Association shall obtain reliable and detailed estimates of the cost to rebuild or repair.

\* 5. Assessments: If the proceeds of insurance are not sufficient to defray the estimated cost of reconstruction and repair, or upon completion of reconstruction and repair, the funds for the payment of the cost thereof are insufficient, assessments shall be made against the

Unit Owner(s) who own the damaged Unit(s), and against all Unit Owners in case of damage to the Common Area in sufficient amount to provide funds for the payment of such cost. Such assessments against Unit Owners for damage to Units, shall be in proportion to the cost of reconstruction and repair of their respective Units. Such assessments on account of damage to common areas shall be in proportion to the Owners share of the Common Areas.

6. Construction Funds: The funds for payment of costs of reconstruction and repair after casualty to a Common Area, which shall consist of proceeds of insurance and funds received from assessments made against the Association, held by the Association or by the Insurance Trustee appointed by the Association shall be disbursed in payment of such costs in the following manner:

A. If the insurance proceeds and the total assessments made by the Association in order to provide funds for payment of costs of reconstruction and repair which is the responsibility of the Association is Five Thousand (\$5,000.00) Dollars, or more, then the sum shall be paid by the Association to an individual in trust, and said individual shall be appointed by the Association for this specific purpose and shall be known as the Insurance Trustee. In all other cases the Association shall hold the sums paid upon such assessments and disburse the same in payment of costs of reconstruction and repair. Disbursements shall be made as follows:

- (1) If the amount of the estimated costs of reconstruction and repair which is the responsibility of the Association is less than Five Thousand (\$5,000.00) Dollars, then the construction funds shall be disbursed in payment of such costs upon the order of the Association; provided, however, that upon request by a mortgagee which is the beneficiary of an insurance policy, the proceeds of which are included in the construction fund, such funds shall be disbursed in the manner hereinafter provided for the reconstruction and repair of damage in excess of Five Thousand (\$5,000.00) Dollars.
- (ii) If the amount of the estimated costs of reconstruction and

repair which is the responsibility of the Association is Five Thousand (\$5,000.00) Dollars, or more, then the construction fund shall be disbursed by the Insurance Trustee in payment of such costs in the manner required by the Board of Directors of the Association and upon approval of an architect qualified to practice in the State of New Hampshire and employed by the Association to supervise the work and upon approval of any mortgagee requesting notice of such payments.

- (iii) Surplus. It shall be presumed that the first monies distributed in payment of the costs of reconstruction and repair shall be from the insurance proceeds. If there is a balance in the construction fund after payment of all costs of reconstruction and repair for which the fund was established, such balance shall be distributed to the beneficial Owners of the funds in the proportion in which they contributed.
- (iv) Certificate. Notwithstanding the provisions herein, the Insurance Trustee shall not be required to determine whether or not sums paid by the Association upon assessment shall be deposited by the Association with the Insurance Trustee, nor to determine whether disbursements from the construction fund are to be upon the order of the Association or an architect or otherwise nor to determine whether a disbursement is to be made from the construction fund nor to determine the payee nor the amount to be paid, nor to determine whether surplus fund to be distributed are less than the assessment paid by the Owner. Instead, the Insurance Trustee may rely upon a certificate of the Association made by its president and secretary as to any or all such matters and stating that the sums to be paid are due and properly payable and stating the name of the payee and the amount to be paid; provided, that when a mortgagee is herein required to be named as payee, the Insurance Trustee shall also name the mortgagee as payee; and further provided that when the Association, or a mortgage which is the beneficiary of an insurance policy, the proceeds of which are included in the construction fund, so requires, the approval



of an architect named by the Association shall be first obtained by the Association.

7. Construction Funds: The funds for payment of costs of reconstruction and repair after casualty to a Unit which shall consist of funds collected from assessments made against the Unit Owners, held by the Association or by the Insurance Trustee appointed by the Association shall be disbursed in payment of such costs in the following manner:

A. The sums collected from Unit Owners as assessments on account of casualty shall constitute a construction fund from which the Association or the Insurance Trustee, if one has been appointed by the Association, shall disburse in payment for costs of reconstruction or repair in the following manner:

- i) The construction fund shall be disbursed by the Association or the Insurance Trustee, as the case may be, in payment of such costs to reconstruct and repair the units, however, the Unit Owner shall be responsible for procuring or arranging all workmen and materials.
- ii) Surplus. If there is a balance in the construction fund after payment of all costs of reconstruction and repair for which the fund was established, such balance shall be distributed to the Unit Owners of the fund in the proportion in which they contributed by virtue of assessments less the actual amounts paid by the Association or Insurance Trustee for repair or reconstruction of that particular Unit.
- iii) Certificate. The Insurance Trustee, or the Association may rely upon bonafide statements from the workmen or suppliers as to any or all such matters and stating that the sums to be paid are due and properly payable and stating the name of the payee and the amount to be paid.

8. Appointment of Insurance Trustee. The Insurance Trustee shall be appointed by a full vote of the Condominium Association in accordance with the voting procedures as set forth in this Declaration of Condominium and the By-Laws. The Insurance Trustee must be a member of the Stonegate Condominium Unit Owners Association.

X. EASEMENTS.

Easements are reserved to the condominium as may be required for utility services to adequately serve the property.,

XI. CHANGES IN PRICE - ALTERATION OF UNIT PLANS.

To meet the particular requirements of prospective purchasers or to allow for the changes in price of labor and material, and for other reasons, the Declarant reserves the right, so long as it is the Owner of any unsold Units, to change the price of any such Units. No change in price of a Unit, however, will vary the estimated annual common charges for the Unit or its percentage of interest in the common elements, or its membership in the Association.

The Declarant also reserves the right to change the design and arrangement within any Unit, so long as it owns the Unit so altered. Such change shall neither increase the number of Units, nor alter the boundaries of the common elements. Any such change shall be reflected by an amendment to this Declaration which may be executed by the Declarant alone, notwithstanding the provisions of Section XI of this Declaration. Nothing contained herein shall invalidate or abrogate the rights of a prospective purchaser existing under a valid Purchase and Sales Agreement.

XII. AMENDMENTS.

This Declaration of Condominium and By-Laws of the Association except as otherwise provided herein, may be amended by a vote in accordance with paragraph II of the said By-Laws and by an instrument in writing, signed, acknowledged and recorded as provided by New Hampshire R.S.A. 356-B: 11, and such amendment shall be effective upon recording in the Office of the Registry of Deeds in Rockingham County, State of New Hampshire, subject to the following:

- (1) Notice: Notice of the subject matter of a proposed amendment shall be included in the notice of any meeting at which the proposed amendment is to be considered.
- (2) Pro viso: No amendment shall discriminate against any Unit Owner or against any Unit or class or group or Units unless the Unit Owners affected shall consent; and no amendment shall change any Unit or the share of Common Areas appurtenant to it, or increase an Owners share in the Common Areas, unless all the record

11

Owners of the Units concerned and all the record owners of mortgages thereon, shall join in the execution of the amendment, however, anyone dealing with the Association or attempting to establish title to a particular Unit, in the absence of actual knowledge of discrimination on the part of the Association of Unit Owners may conclusively rely upon the validity and legality of any amendment to this Declaration recorded in the Rockingham County Registry of Deeds if said amendment is signed, acknowledged and recorded in compliance with Article XI of this Declaration. The amendment of this Declaration shall not make any change in the section entitled "insurance" or in the section entitled "Manner of determining appropriate action following damage to any portion of the Condominium by fire or other casualty" unless all the owners and all the record owners of mortgages on Units in the condominium shall join in the execution of the amendment.

XIII. MAINTENANCE, ALTERATION AND IMPROVEMENT:

Responsibility for the maintenance of the condominium property and restrictions upon the alteration and improvements thereof shall be as follows:

(1) By the Association: The Association shall maintain, repair and replace all portions of the Common Areas at the Association's expense.

(2) By the Unit Owner: The Unit Owner shall maintain, repair, and replace all portions of his individual Unit.

(3) Unit Alteration and Improvement: There shall be no change in the exterior design or color scheme of any Unit without the written consent of the Association.

(4) Common Areas, Alteration and Improvement: After completion of the improvements included in the Common Areas which are contemplated by this Declaration, there shall be no alteration nor further improvement of the Common Areas without prior approval in writing by the record owners of all of the Units; provided, however, that any alteration or improvement of the Common Areas bearing the approval in writing of fifty per cent or more but less than seventy-five per cent of the Unit Owners, which does not

12

interfere with the rights of any Owners without their consent, may be done if the Owners who do not approve are relieved from the cost thereof. The share of any cost not so assessed shall be assessed to the other Unit Owners in the ratio which their shares in the Common Areas bear to each other. Furthermore, Seventy-five per cent or more of the Unit Owners may agree to make improvements in the Common Areas and facilities and assess the cost thereof to all Unit Owners as a common expense, but if such improvement shall cost in excess of ten per cent of the value of the condominium, any owner not so agreeing may apply to the Superior Court of Rockingham County and upon notice to the organization of Unit Owners, the Court shall direct the purchase of the dissenting Unit holder's interest by the organization of Unit Owners at the fair market value thereof as approved by the Court. The cost of any such purchase shall be a common expense.

XIV. ASSESSMENTS:

The making and collection of assessments against the Unit Owners for common expenses shall be pursuant to the By-Laws and subject to the following provisions:

1. Share of Common Expense: Each Unit Owner shall be liable for a proportionate share of the common expenses and shall share in the common surplus, such shares being the same as the undivided share in the Common Area which is appurtenant to the Unit owned by him, as set forth in Article VI. Provided, however, that if a Unit is declared to be untenable for a period exceeding sixty days, the common expense attributable to such Unit shall be abated by the Board of Directors. During such period of abatement the common expense attributable to such Unit shall be pro-rated and borne among the remaining tenantable Units in accordance with their proportionate share of the common expense.

2. Interest, Application of Payments: Assessments paid on or before ten (10) days after the date when due shall not bear interest, but all sums not paid on or before ten (10) days after the date when due, shall bear interest at the rate of eighteen (18) per cent per annum from the date when due until paid. All payments upon account shall be first applied to interest and then to assessment.

12

3. Lien for Assessment: The lien for unpaid assessments as provided in New Hampshire Revised Statutes Annotated Chapter 356-B:46 shall also secure reasonable attorney's fees incurred by the Association incident to the collection of such assessment in the enforcement of such lien.

4. Rental Pending Foreclosure. In any foreclosure of a lien for assessment as provided by said New Hampshire Revised Statutes Annotated Chapter 356-B:46, the owner of the Unit subject to the lien shall be required to pay a reasonable rental for the Unit and the Association shall be entitled to the appointment of a receiver to collect the same.

5. Any mortgage bank which acquires its title as a result of foreclosure or conveyance in lieu of foreclosure on a Unit, shall not be liable for the payment of any assessment unless it is using or leasing the Unit, or until the expiration of a six month period from the date the bank takes fee simple title, whichever is sooner. Such mortgagee bank shall not be responsible for any lien for assessments which arose prior to such foreclosure or conveyance in lieu of foreclosure.

6. The lien for assessments as provided for in RSA 356-B:46, shall be deemed subordinate to any first mortgage lien of record.

7. In the event the Unit Owners Association is unable to collect unpaid assessments due to the operation of the provisions of this Section XIII or the By-Laws the Board of Directors may vote to include some or all of these amounts in the next annual budget as a common expense to be recovered from all unit owners.

XV. ASSOCIATION:

The operation of a condominium shall be by an unincorporated or incorporated Association which shall be organized and shall fulfill its functions pursuant to the following provisions:

1. The name of the Association shall be the Stonegate Unit Owners Association.

2. The Association shall have all of the powers and duties as set forth in the Condominium Act except as limited by this Declaration and By-Laws and all of the powers and duties reasonably necessary to operate the condominium as set forth in this Declaration and By-Laws and as they may be amended from time to time.

3. Membership in the Association:

(a) Qualification. The members of the Association shall consist of all the record Owners of the Units.

(b) Change of Membership: Change of membership in the Association shall be established by recording in the Registry of Deeds for County, State of New Hampshire, a deed establishing record title to a Unit in the Condominium. The Buyer shall deliver to the Board of Directors of the Association a photostatic copy of the deed showing the Book, Page and time the recording of the deed in the Rockingham County Registry of Deeds. The Board of Directors shall keep such photostatic copy on file as evidence of the Grantee's membership in the Association for all purposes, rights and obligations as set forth in this Declaration and By-Laws. The owner designated by such instrument shall thereby become a member of the Association. At such time the membership of the prior owner shall be thereby terminated.

(c) Voting Rights: A member of the Association shall be entitled to cast one vote for each Unit owned in the percentage attributed to each Unit. Where there is more than one record owner, any of such persons may attend any meeting of the Association, but it shall be necessary for those present to act unanimously in order to cast the votes to which they are entitled. If a unit is owned by a corporation or a trust, any individual representing such entity, whose authority is in a form acceptable to the secretary, may cast a vote for each unit owned. The Declarant shall be entitled to vote with respect to any unit(s) owned by the Declarant.

*each unit  
one  
vote*

(d) Restraint upon Assignment of Shares in the Association. The Share of a member in the funds and assets of the Association can not be assigned, hypothecated or transferred in any manner except as an appurtenance to his Unit.

4. Board of Directors: The affairs of the Association shall be conducted by a Board of Directors who shall be designated in the manner provided in the By-Laws.

15

5. Indemnification: Every director and every officer of the Association shall be indemnified by the Association against all expenses and liabilities including counsel fees, reasonably incurred or imposed upon him in connection with any proceeding to which he may be a party or in which he may become involved, by reason of his being or having been a director or officer of the Association, or any settlement thereof, whether or not he is a director or officer at such time the expenses are incurred, except in such cases wherein the director or officer is adjudged guilty of willful misfeasance or malfeasance in the performance of his duties; provided that in the event of a settlement the indemnification hereby shall apply only when the Board of Directors approves such settlement and reimbursement as being in the best interest of the Association. The foregoing rights of indemnification shall be in addition to and not exclusive of all other rights to which such director or officer may be entitled.

6. Limitation upon Liability of the Association: Notwithstanding the duty of the Association to maintain and repair parts of the condominium property, the Association shall not be liable for injury or damage, other than the cost of maintenance and repair, caused by any latent condition of the property to be maintained and repaired by the Association.

7. By-Laws: The By-Laws of the Association shall be in the form attached hereto as Appendix A.

8. Property and Trust: All funds and title to all properties acquired by the Association and the proceeds thereof, shall be held in trust for the membership in accordance with the provisions of this Declaration of Condominium and the By-Laws.

XVI: INSURANCE

A. The Board of Directors or Managing Agent on behalf of the Association shall obtain:

1. A Master Casualty policy affording fire and extended coverage in an amount equal to the full replacement value of the structure(s) that comprise the common areas.
2. A Master Liability Policy in an amount equal to at least \$500,000.00/\$1,000,000.00 covering the Unit Owners association, the Board of Directors and all persons acting or who may come to act as agents or

16

employees of any of the foregoing with respect to the Condominium, and all Unit Owners and other persons entitled to occupy any Unit or other portion of the Condominium.

B. The Unit Owners shall be responsible for obtaining his own insurance on his individual Unit which insurance may be provided through a Master policy.

XVII. PARTITION:

There shall be no judicial partition of the condominium or any part thereof, nor shall the Declarant or any person acquiring any interest in the condominium or any part thereof seek any judicial partition, until the happening of the conditions set forth in Article VIII of this Declaration in the case of damage or destruction or unless the property has been removed from the provisions of The Condominium Act as provided in New Hampshire RSA Chapter 356-B:34 provided, however, that if any Unit shall be owned by two or more co-tenants as tenants in common or as joint tenants, nothing herein contained shall be deemed to prevent a judicial partition as between such co-tenants. Such partition shall not affect any other Unit.

XVIII. INTERPRETATION: The provisions of the Declaration shall be liberally construed in accordance with the common law and statutory law of the State of New Hampshire in order to effect its purpose of creating a uniform plan for the development and operating of a condominium project. Failure to enforce any provision hereof shall not constitute a waiver of the right to enforce said provision or any other provision hereof.

XIX. SEVERABILITY: The provisions hereof shall be deemed independent and severable, and the invalidity or partial invalidity or unenforceability of any one provision or portion hereof shall not affect the validity or enforceability or any other provision hereof.

XX. WARRANTY AGAINST STRUCTURAL DEFECTS: The Declarant hereby warrants, against structural defects, each of the units for one (1) year from the date each is conveyed by Declarant and all of the common areas for one (1) year from the date same are completed. For purposes of this warranty "Structural Defects" shall be those defects in components of the construction of any unit or common area which reduce the stability



or safety of the structure below accepted standards or restrict the normal intended use of all or part of the structure and which require repair, renovation, restoration, or replacement. Nothing in this warranty shall be construed to make the Declarant responsible for any items of maintenance relating to the units or common areas.

XXI. EFFECTIVE DATE: This Declaration shall take effect upon recording in the Rockingham County Registry of Deeds.

IN WITNESS WHEREOF, the undersigned have placed their hands and seals on this the \_\_\_\_\_ day of \_\_\_\_\_ 19\_\_.

WITNESS: STONEGATE REALTY TRUST

\_\_\_\_\_ By: \_\_\_\_\_  
John Fitzpatrick, Trustee

STATE OF NEW HAMPSHIRE  
ROCKINGHAM, SS.

\_\_\_\_\_, 19\_\_\_\_

Personally appeared the above named John Fitzpatrick, in his capacity as Trustee of Stonegate Realty Trust, and acknowledged the foregoing instrument to be his voluntary act and deed.

Before me,

\_\_\_\_\_  
Justice of the Peace/Notary Public

STONEGATE UNIT OWNERS CONDOMINIUM ASSOCIATION  
APPENDIX A  
BY-LAWS

I. Board of Directors. The affairs of the Association of Owners shall be conducted of a Board of three (3) Directors. The Declarant shall have all of the powers and duties of the Board of Directors until the Association of Owners is formed.

A. Election and Meetings.

1. Within ninety (90) days after the Declarant has conveyed a simple majority of the Units, or within two (2) years from the effective date of this Declaration, whichever occurs first, the Declarant shall call the first meeting of the Association.

The purpose of the first meeting of the Association shall be to elect the Board of Directors. The meeting shall be conducted by the Declarant or the Attorney for the Declarant.

After the election of the Board of Directors, the Board shall choose from among the Board members, the President, Treasurer and Clerk of the Association.

B. Term. At the initial election of the members of the Board of Directors, one Director shall be elected for a term of three (3) years, one Director shall be elected for a term of two (2) years and one Director shall be elected for a term of one year. At each annual meeting thereafter one (1) Director shall be elected for a term of three (3) years. Any member can be elected to the Board of Directors without regard to the number of terms he may have served. For the purposes of this Section, a "member" of the Association includes both spouses or joint tenants, or tenants in common, or any officer of a corporation or the trustee of a trust and any such person can be elected to the Board of Directors.

C. Resignation and Removal. Any member of the Board of Directors may resign at any time by giving written notice to the President and Manager, and any member may be removed from membership of the Board of Directors by an affirmative vote of Owners. 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 of Owners, at which time said vacancy shall be filled for the unexpired term.

D. Powers and Authority of the Board of Directors. The Board of Directors, for the benefit of the Condominium and the Owners, shall enforce the provisions hereof and shall acquire and shall pay for out of the common expense fund, without limitation, the following:

1. Water, garbage collection, snow removal, electrical, cable T.V., telephone and gas and other necessary utility service for the Common Area (and to the extent not separately metered or charged, for the Units and Limited Common Area).

2. A policy or policies of fire insurance as the same are more fully set forth in the Declaration.

3. The services of a person or firm to manage its affairs herein called "the Manager") to the extent deemed advisable by the Board of Directors as well as such other personnel or property as the Board of Directors shall determine shall be necessary for the operation of the Common Area, whether such personnel are employed directly by the Board of Directors or are furnished by the Manager.

?

E. Special Meetings of the Association of Owners may be called at any time, by any Unit Owner for the purpose of considering matters which, by the terms of the Declaration require the approval of some or all of the Unit Owners, or for such other reasonable purpose approved by the Board of Directors.

III. Voting Provisions.

A. Each Unit shall have one vote.

Where there shall be more than one person having legal title to a Unit and more than one such person shall be present at any meeting of the Association, the vote pertaining to that Unit shall be cast only in accordance with the unanimous agreement of such persons.

) 2

B. Proxies.

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

Board  
Cathy 3 yrs  
John 2 yrs  
Jeff 1 yr  
- John  
Trem. Cathy  
Sec  
3/7/88  
Jeff

C. Notice of Meetings of the Association.

The Clerk of the Board of Directors shall, at least twenty-one (21) days in advance of any annual or regularly scheduled meeting, and at least seven (7) days in advance of any other meeting, send to each Unit Owner notice of the time, place, and purpose or purposes of such meeting. Such notice shall be sent by United States mail, return receipt requested, to all Unit Owners of record at the address of their Units.

D. Special Meetings.

Special meetings of the Association of Owners may be called by any Unit Owner at any time for the purpose of considering matters which, by the terms of the Declaration require the approval of all or some of the Owners, or for any other reasonable purpose.

IV. Officers of Association.

The officers of the Association of Owners shall be a President, Treasurer and Clerk. The officers of the Association shall also be directors. Upon the expiration of a term, resignation or removal, of an officer from the Board of Directors, said individual shall also cease to serve as an officer of the Association.

A. President. The President shall preside at all meetings of the Association of Owners and of the Board of Directors and may exercise the powers ordinarily allocable to the presiding officer of an Association including the appointment of committees.

B. Treasurer. The Treasurer shall be responsible for the fiscal affairs of the Association, but may delegate the daily handling of income and expense payments to the authorized Manager of the Condominium Association.

C. Clerk. The Clerk shall keep minutes of all proceedings of the Board of Directors and of the meetings of the Association of Owners and shall keep such books and records as may be necessary and appropriate for the records of the Association and its Board of Directors.

V. Common Expenses.

A. Assessments.

During the period beginning with the conveyance of the first Unit, until the Association shall have voted upon a budget and the amount of the monthly assessments, as provided in these By-Laws, the Declarant shall establish the amount of the Common Expenses and contract for maintenance services and shall assess each Unit Owner accordingly.

Upon the said vote of the Association establishing an assessment, the Association shall, thereafter, make all assessments for regular annual expenses and any special assessments.

B. Default in Payment of Assessments:

Each monthly assessment and each special assessment shall be separate and distinct and personal debts and obligations of the Owner against whom the same are assessed at the time the assessment is made and shall be collectible as such. Suit to recover a money judgment for unpaid common expenses shall be maintainable without foreclosure or waiving the lien securing the same. The Board of Directors, on behalf of the Association, shall have the authority to effect the lien procedures provided for in R.S.A. Chapter 356-B:46, with regard to any unpaid assessments.

VI. Right to Examine Books and Records:

The Declarant, until such time as control over the affairs of the Condominium is transferred to the Unit Owners Association, and the officers and directors of the Association thereafter shall keep accurate and complete written records of the affairs of the Condominium. All unit owners or their agents and all mortgagees of units shall have the right to examine current documents and financial statement records upon request.

All unit owners and mortgagees shall be notified, as often as is necessary, as to the location of such books and records and of normal business hours during which such inspection may be made. Any unit owner or mortgagee may make copies, at his own expense, of such books and records; provided that the keeper of such books and records may take reasonable measures to protect original documents during the copying process.

VII. Rental of Units:

Any Unit Owner shall have the right to rent his Unit, provided that the occupancy rate as stated in the Declaration shall be adhered to. The Unit Owner shall notify the Clerk of the Board of Directors, in writing, of any such rental and include in that notice the names of the tenants and the period of the tenancy, which shall not be less than ninety days. Any such tenant shall be bound by the provisions of the Declaration, the By-Laws and any rules or regulations established by the Board of Directors with regard to the use of the Common Areas. The failure of any Unit Owner to so notify the Board of Directors of any rental or tenancy shall result in a fine of One Hundred (\$100.00) Dollars which shall constitute a special assessment against that Unit.

VIII. Sale of Units:

In the event that any Unit Owner (other than the Declarant) shall contract to sell or transfer title to his Unit, he shall notify the Clerk of the Board of Directors within ten (10) days prior to such sale. The Board of Directors shall provide the Seller with a Certificate stating that all assessments relating to the subject Unit have been paid. Such Certificates shall be recorded in the Rockingham County Registry of Deeds.

20  
20

22

4. Legal and accounting services necessary or proper in the operation of the Common Area or the enforcement of the Declaration. Or ?  
for such other purposes as the Directors determine to be in the best  
interest of the Condominium. 9

5. Painting, maintenance, repair and all landscaping of the Common Area and Limited Common Area, and such furnishings and equipment for the Common Area as the Board of Directors shall determine are necessary and proper, and the Board of Directors shall have the exclusive right and duty to acquire the same for the Common Area and assess the cost thereof as a common expense.

6. 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 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 Common Area, the cost thereof shall be specially assessed to the Owners of the Units with which the Common Area is associated.

7. The Board of Directors in its exercise of the powers enumerated in this Section may not enter into any contract or agreement unless said contract or agreement may be cancelled by any party thereto, without cause, upon written notice, not more than 90 days before the effective date of said cancellations, and without payment of any cancellation fee or penalty. These provisions shall also apply to the Declarant until such time as the Unit Owners Association meets and elects a Board of Directors in accordance with the By-Laws.

E. It shall be the duty of the Board of Directors to prepare an annual budget, which shall be presented by the Treasurer of the Association at the Annual Meeting of the Association, or at any Special Meeting of the Association called for the purpose of acting upon budgetary or financial matters.

F. The Board shall have the right to establish rules and regulations relating to the use of any of the Common Areas.

## II. Meetings of the Board of Directors and Association Meetings.

A. Three members of the Board of Directors shall constitute a quorum and if a quorum is present at any meeting, the decision of two of the Directors shall constitute an act of the Board of Directors. Any member of the Board of Directors can call a meeting of the Board for any purpose relating to the powers and duties of the Board of Directors.

B. The presence, whether by proxy or personal attendance, of 50% of the Unit owners at any meeting of Unit Owners or at any meeting of the Association, shall constitute a quorum. Unless otherwise provided in the Declaration, any action may be taken at any meeting of the Association of Owners upon the affirmative vote of a majority of the Owners present.

C. Within ninety (90) days after the first meeting of the Board of Directors, the Board shall call a Special Meeting of the Association for the purpose of voting upon a Budget for the Association, and to vote upon such other matters as the Board shall deem necessary. During the period between the date of the first meeting of the Association and the Special Meeting, the Board shall prepare a budget for the consideration of the Association, for the period prior to the next Annual Meeting.

D. The Annual Meeting of the Association shall be held on the anniversary date of the first meeting of the Association, or at such other time as the Board of Directors shall decide.

APPENDIX B

A certain lot of land, together with the buildings thereon, situated on the Easterly side of Lafayette Road, Hampton, County of Rockingham and State of New Hampshire, bounded and described as follows:

Beginning at an iron pin set on the Easterly side of said Lafayette Road at land now or formerly of J. Shea, thence running N 12°36'40" E along said Lafayette Road a distance of 80.00 feet to an iron pin set at other land of John C. Woodworth and Anthony G. Olbres and conveyed to John C. Woodworth, shown as Lot #1 on the Plan hereinafter described; thence turning and running S 75°53'00" E along said Lot #1 a distance of 184.00 feet to an iron pin set at land once of A. Blake and now or formerly of R. Blake, S. McRae and M. Lovering; thence turning and running S 12°36'40" W along said Blake, McRae and Lovering land a distance of 95.26 feet to an iron pin set at the aforesaid Shea land; thence turning and running N 75°05'30" W along said Shea land a distance of 65.74 feet to an iron pin; thence turning and running N 17°28'00" W still along said Shea land a distance of 20.34 feet to an iron pin; thence turning and running N 77°28'00" W still along said Shea land a distance of 108.05 feet to the point of beginning.

Meaning and intending to convey Lot #2 containing 15,600 square feet, more or less, as shown on Plan of "Subdivision of Land for Anthony G. Olbres and John C. Woodworth in Hampton, N.H.", dated September, 1978 and recorded in the Rockingham County Registry of Deeds.

For title reference see deed of Anthony G. Olbres to John J. Welch and Thomas Wasson, dated October 2, 1981 and recorded in the Rockingham County Registry of Deeds, Book 2399, Page 0053 and deed of John J. Welch to David P. Benoit dated January 4, 1984 and recorded in the Rockingham County Registry of Deeds at Book 2475, Page 263.