

HLOA BY-LAWS

ARTICLE I Name and Location	Page 1
ARTICLE II Definitions	
Section 1: Association	Page 1
Section 2: Properties	Page 1
Section 3: Association Land	Page 1
Section 4: Lot or Lots	Page 1
Section 5: Owner	Page 1
Section 6: Developer	Page 2
Section 7: Declaration	Page 2
Section 8: Member	Page 2
Section 9: Hotel	Page 2
ARTICLE III MEETING OF MEMBERS	
Section 1: Annual Meeting	Page 2
Section 2: Special Meeting	Page 2
Section 3: Notice of Meetings	Page 2
Section 4: Quorum	Page 2
Section 5: Proxies	Page 3
ARTICLE IV NOMINATION, SELECTION AND TERM OF OFFICE	
Section 1: Number	Page 3
Section 2: Term of Office	Page 3
Section 3: Removal	Page 3
Section 4: Compensation	Page 3
Section 5: Action taken without a meeting	Page 4
Section 6: Nomination of director	Page 4
Section 7: Election	Page 4
Section 8: Standing committees	Page 4
a. Architectural Review	Page 4
b. Fact-Finding	Page 4
c. Golf	Page 4
d. Finance	Page 4
e. Covenants	Page 4
f. Grounds & Maintenance	Page 5
g. Social	Page 5
ARTICLE V MEETINGS OF DIRECTORS	
Section 1: Regular meetings	Page 5
Section 2: Special meetings	Page 5
Section 3: Quorum	Page 5
ARTICLE VI POWERS AND DUTIES OF THE BOARD OF DIRECTORS	
Section 1: Powers	Page 5

a. Adopt rules and regulations	Page 5
b. Suspend voting rights	Page 5
c. Exercise all powers, duties and authority	Page 6
d. Director absent for 3 consecutive meetings	Page 6
e. Employ a manager	Page 6
f. Determine annual budget	Page 6
g. Accept conveyance of real and personal property	Page 6
Section 2: Duties	Page 6
a. Keep complete records	Page 6
b. Supervise employees	Page 6
c.1 Fix amount of annual assessment	Page 6
c.2 Send notice of assessment	Page 6
c.3 Foreclose the lien	Page 6
c.4 Issue certificate for assessment being paid	Page 6
c.5 Procure insurance	Page 7
c.6 Cause officers and employees to be bonded	Page 7
c.7 Maintain land in appropriate manner	Page 7
ARTICLE VII OFFICERS AND THEIR DUTIES	
Section 1: Enumeration of offices	Page 7
Section 2: Election of officers	Page 7
Section 3: Term	Page 7
Section 4: Special Appointments	Page 7
Section 5: Resignation and Removal	Page 7
Section 6: Vacancies	Page 7
Section 7: Multiple Offices	Page 8
Section 8: Duties of Officers	Page 8
ARTICLE IX BOOKS AND RECORDS	Page 8
ARTICLE X CORPORATE SEAL	Page 8
ARTICLE XI AMENDMENTS	
Section 1: Quorum vote	Page 9
Section 2: Conflict	Page 9
ARTICLE XIII MISCELLANEOUS Fiscal year	Page 9

BY-LAWS
OF
HALES LOCATION OWNERS ASSOCIATION

ARTICLE I

NAME AND LOCATION

The name of the Corporation is Hales Location Owners Association, hereinafter referred to as the 'Association'. The principal office of the Corporation shall be located in Hales Location, County of Carroll, State of New Hampshire, but meetings of the members and directors may be held at such places within the State of New Hampshire as may be designated by the Board of Directors.

ARTICLE II

DEFINITIONS

Section 1: 'Association' shall mean and refer to Hales Location Owners Association, its successors and assigns.

Section 2: 'Properties' shall mean and refer to that certain real property described in the Declaration of Covenants, Restrictions and Easements of Hales Location Owners Association and as shown on plans consisting of eight pages entitled "Hales Location Country Club, prepared for Hale's Location Realty Trust, Mirror Lake, New Hampshire and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 3: 'Association Land' shall be all the land described in Article VI of the Declaration of Covenants, Restrictions and Easements of the Hales Location, and shown on the plan referred to above or any future plans.

Section 4: 'Lot' or 'Lots' shall mean and refer to any Individual Home Lot as defined in the Declaration and being plots of land shown upon the recorded subdivision map of the Properties with the exception of the Association Land and any buildings or improvements constructed thereon.

Section 5: 'Owner' shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Home Lot or the Hotel which is a part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 6: 'Developer' shall mean and refer to Robert H. Carleton, Trustee of Hales Location Realty Trust, and Cheryl Carleton, their successors and assigns if such successors or assigns should acquire more than one undeveloped Lot from the Developer for the purpose of development.

Section 7: 'Declaration' shall mean and refer to the Declaration of Covenants, Restrictions and Easements applicable to the Properties dated July 28, 1989, recorded at the Carroll County Registry of Deeds at Book 1387, Page 953, and any amendments thereto.

Section 8: 'Member' shall mean and refer to those persons entitled to membership as provided in the Declaration.

Section 9: 'Hotel' shall mean the Hotel as defined by this Declaration.

ARTICLE III

MEETING OF MEMBERS

Section 1: ANNUAL MEETING: The first annual meeting of the members shall be held on the first Saturday of July, 1990, incorporation of the Association, and each subsequent regular annual meeting of the members shall be held on the third Saturday of October of each year thereafter.

Section 2: SPECIAL MEETING: Special Meetings of the members may be called at any time by the President or by the Board of Directors, upon written request of the members who are entitled to vote one-fourth (1/4) of all of the votes of the membership.

Section 3: NOTICE OF MEETINGS: Written notice of each meeting of the members shall be given by, or at the direction of the secretary or person authorized to call the meeting by mailing a copy of such notice, postage paid, at least forty-five (45) days before such meeting to each member entitled to vote thereat, addressed to the member's address last appearing on the books of the Association or supplied by such member to the Association for the purpose of the notice. Such notice shall specify the place, day and hour of the meeting and in case of a special meeting, the purpose of the meeting.

Section 4: QUORUM: The presence at the meeting of members entitled to cast, or of proxies entitled to cast, one-tenth (1/10th) of the votes of the membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these By-Laws. If, however, such quorum shall not be present or represented at any meeting, the members entitled to vote thereat shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

Section 5: PROXIES: At all meetings of members, each member may vote in person or by proxy. All proxies shall be in writing and shall be dated and signed by the owner and filed with the secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the member of his Lot. A proxy shall expire, unless sooner terminated, one year from date of issuance.

ARTICLE IV

BOARD OF DIRECTORS

NOMINATION, SELECTION AND TERM OF OFFICE

Section 1: NUMBER: The affairs of this Association shall be managed by a Board of five (5) directors, who need not be members of the Association. Three (3) directors shall be elected by the Home Lot Owners voting as a class and two (2) directors shall be elected by the Hotel Owners voting as a class.

Section 2: TERM OF OFFICE: The initial Board of Directors has been appointed by the Developer with terms effective at the first annual meeting, two (2) directors for a term of one (1) year, two (2) directors for a term of two (2) years, and one (1) director for a term of three (3) years. Upon transfer of the Hotel, the owner of the Hotel shall elect two (2) directors. However, at such time as eighty-five (85%) percent or more of the Home Lots in the entire Hales Location development have been conveyed by the Developer, the other three (3) Directors may resign effective as of the next annual meeting and their unexpired terms shall be filled by election at the next following annual meeting by vote of the Home Lot Owners.

Upon expiration of the initial terms of the initial Board of Directors, the term of each elected Director's position on the Board shall run for three (3) years. The Directors of the Association shall be elected at the annual meeting of the Association to fill any term that is expiring in that year.

Section 3: REMOVAL: Any director may be removed from the Board, with or without cause, by a two-thirds (2/3) majority vote of the members of the class of the Association which elected the director. In the event of death, resignation or removal of a director, his successor shall be selected by the remaining members of the Board elected by the same members of the class and shall serve for the unexpired term of his predecessor.

Section 4: COMPENSATION: No director shall receive compensation for any service he may render to the Association. However, any director may be reimbursed for his actual expenses incurred in the performance of his duties.

Section 5: ACTION TAKEN WITHOUT A MEETING: The directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by

obtaining the written approval of all the directors. Any action so approved shall have the same effect as though taken at a meeting of the Directors.

Section 6: **NOMINATION OF DIRECTORS:** Nominations for directors shall be made at the time of the Annual Meeting.

Section 7: **ELECTION:** Election to the Board of Directors shall be by secret written ballot. At such election, the members or their proxies for each class may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

Section 8: **STANDING COMMITTEES:** The Board of Directors shall establish and maintain standing committees to assist in the management of the Association's interests and those of the membership. Each committee shall comprise of the appropriate Hales Location Estates members who are in good standing. The committees shall be: Architectural, Covenants, Fact-Finding, Golf, Finance, Grounds & Maintenance and Social. The Board of Directors may establish additional committee(s), ad hoc groups and task forces in order to reasonable manage the Association's business.

a. **The Architectural Review Committee** shall be governed by the provisions of the Design Review Process, Exhibit F of the Declaration of Covenants, Restrictions and Easements.

b. **The Fact-Finding Committee** shall serve in an advisory role to the Board on the informational, economic, tax and other external issues that may impact the Association.

c. **The Golf Committee** shall assist the Golf Professional and the Hales Location Manager in maximizing the economic and recreational potential of the golf course and recommending future improvements.

d. **The Finance Committee** shall assist the Board on the financial well being of the Association and serve in an oversight capacity for the Board on financial issues. The Committee shall assist the Treasurer in preparing the annual budget and assist in defining capital budget issues.

e. **The Covenants Committee** shall assist the Board to ensure that the Association's Covenants and by-laws continue to protect our mutual interests and doing so, improve the collective lifestyle of the community.

f. **The Grounds & Maintenance Committee** shall assist Hales Location Manager in defining and assessing the maintenance needs, priorities and costs of the Association's real property.

g. **The Social Committee** shall support the Association's community role with social opportunities that build and reinforce membership relations. The Board of Directors may remove any standing committee chairperson for cause. In

the event of death, resignation or removal by the Board, the successor chairperson shall be named by the Board of Directors in a timely manner.

ARTICLE V

MEETINGS OF DIRECTORS

Section 1: **REGULAR MEETINGS:** Regular meetings of the Board of Directors shall be held monthly without notice, at such place and hour as may be fixed from time to time by resolution of the Board. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

Section 2: **SPECIAL MEETINGS:** Special meetings of the Board of Directors shall be held when called by the President of the Association, or by any two (2) directors, after not less than three (3) days notice to each director.

Section 3: **QUORUM:** A majority of the number of Directors shall constitute a quorum for the transaction of business. Every act, or decision, done or made by a majority of the Directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board except otherwise required by the Declaration or the specific provisions of these By-Laws which shall control in the event of any conflict.

ARTICLE VI

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1: **POWERS:** The Board of Directors shall have the power to:

- a. Adopt by a vote of at least four (4) directors and publish reasonable nondiscriminatory rules and regulations governing the use of the Association Land and facilities thereon;
- b. Suspend the voting rights and right to use of the golf course of a member during any period in which such member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notification and hearing, for a period not to exceed sixty (60) days for infraction of duly adopted rules and regulations; providing that suspension after notice and hearing of infraction of published rules and regulations may be made only by a two-thirds (2/3) vote;
- c. Exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these By-Laws, the Articles of Incorporation, or the Declaration;
- d. Declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors without cause;

- e. Employ a manager, an independent contractor, or such other employee as they deem necessary, and to prescribe their duties;
- f. Determine the annual budget and expenses of the Association and determine the amount of annual assessments for which provision is made in Article V of the Declaration; and
- g. To accept, on behalf of the Association subject to the Declaration, conveyance of real and personal property and assignments of easements, rights and privileges, including those reserved to Developer in the Declaration.

Section 2: DUTIES: It shall be duty of the Board of Directors to:

- a. Cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the members at the annual meeting of the members, or at any special meeting when members who are entitled to vote;
- b. Supervise all officers, agents and employees of this Association, and to see that their duties are properly performed;
- c. As more fully provided in the Declaration, to:
 - (1) Fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period;
 - (2) Send written notice of each assessment to every Owner subject thereto at least thirty (30) days in advance of each annual assessment period;
 - (3) Foreclose the lien against any property for which assessments are not paid within thirty (30) days after due date or to bring an action at law against the Owner personally obligated to pay the same;
 - (4) Issue, or cause and appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;
 - (5) Procure and maintain adequate liability and hazard insurance on property owned by the Association;
 - (6) Cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;
 - (7) Cause the Association Land to be maintained in an appropriate and first class manner.

ARTICLE VII

OFFICERS AND THEIR DUTIES

Section 1: **ENUMERATION OF OFFICES:** The officers of this Association shall be a President, who shall at all times be a member of the Board of Directors, a Secretary, and a Treasurer, and such other officers as the Board may from time to time by resolution create.

Section 2: **ELECTION OF OFFICERS:** The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the members.

Section 3: **TERM:** The officers of the Association shall be elected annually by the Board and each shall hold office for one (1) year unless he shall sooner resign, or shall be removed, or otherwise disqualified to serve.

Section 4: **SPECIAL APPOINTMENTS:** The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority and perform such duties as the Board may, from time to time, determine.

Section 5: **RESIGNATION AND REMOVAL:** Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time giving written notice to the Board, the President or Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6: **VACANCIES:** A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 7: **MULTIPLE OFFICES:** The offices of Secretary and Treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 4 of this Article.

Section 8: **DUTIES:** The duties of the officers are as follows:

PRESIDENT: The President shall preside at all meetings of the Board of Directors; shall see that order and resolution of the Board are carried out; shall sign all leases, mortgages, deed and other written instruments.

SECRETARY: The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the members; keep the corporate seal of the

Association and affix it on all papers requiring said seal; serve notice of meetings of the Board and of the members; keep appropriate current records showing the members of the Association together with their addresses, and shall perform such other duties as required by the Board.

TREASURER: The Treasurer shall be responsible to insure that all funds received shall be deposited in appropriate bank accounts in a timely manner and shall supervise the disbursement of all funds as directed by resolution of the Board. The Treasurer and/or a duly authorized Board member may sign any checks for amounts up to \$2,500.00. Amounts exceeding \$2,500.00 shall be signed by the Treasurer and/or two duly authorized members of the Board. Treasurer shall be responsible to insure that the records of the Association are kept in a proper manner and are available for inspection.

ARTICLE IX

BOOKS AND RECORDS

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any member. The Declaration, the Articles of Incorporation and the By-Laws of the Association shall be available for inspection by any member at the principal office of the Association, where copies may be purchased at reasonable cost.

ARTICLE X

CORPORATE SEAL

The Association shall have a seal in circular form having within its circumference the words: HALES LOCATION OWNERS ASSOCIATION.

ARTICLE XI

AMENDMENTS

Section 1: These By-Laws may be amended at regular or special meetings of the members by a vote of three quarters (3/4) of a quorum of members present in person or by proxy.

Section 2: In the case of any conflict between the Articles of Incorporation and these By-Laws, the Articles shall control; and in the case of any conflict between the Declaration and these By-Laws, the Declaration shall control.

ARTICLE XIII

MISCELLANEOUS

The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of every year, except that the first fiscal year shall begin on the date of incorporation.

CERTIFICATION

I, the undersigned, do hereby certify, that I am the duly elected and acting Secretary of Hales Location Owners Association, a New Hampshire corporation, and that the following By-Laws were voted at the 14th Annual Meeting of the Hales Location Owners Association on October 20, 2007, for inclusion into the By-Laws contained in Book#1307 at the Carroll County Registry of Deeds.

In Witness whereof, I have hereunto subscribed my name and fixed the seal of said Association.

/Frank Filosa/ 1-2-08
Frank Filosa, Secretary, Date