

**HLOA
86 Fairway Drive
Hale's Location, NH 03860**

HALES LOCATION OWNERS ASSOCIATION

**DECLARATION OF COVENANTS
BY-LAWS
ARTICLES OF ASSOCIATION
GOLF RULES
ARC DESIGN REGULATIONS**

Revised 1/1/2019

These documents come from the:

HALES LOCATION OWNERS ASSOCIATION 2014 RESTATEMENT
COVENANTS, BYLAWS & ARCREGULATIONS
CARROLL COUNTY REGISTRY OF DEEDS
BOOK 3132, PAGE 341

They have been modified to reflect the changes passed at the HLOA
Annual Meeting held October 20, 2018.

They have also been modified to correct past typographical errors
and to make them more readable.

DECLARATION PAGES

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DECLARATION OF COVENANTS, RESTRICTIONS AND EASEMENTS
OF
HALES LOCATION ESTATES ALSO KNOWN TO BE AS
HALES LOCATION GOLF CLUB AND/OR HALES LOCATION COUNTRY CLUB

DECLARATION is made this 25th day of July, 1989 by Robert H. Carleton, Trustee of Hales Location Realty Trust u/d/t dated May 17, 1985 of Hales Location, County of Carroll and State of New Hampshire, (hereinafter referred to as 'Developer') and Cheryl Carleton of Mirror Lake, New Hampshire:

WHEREAS Developer is owner of a parcel of land containing 158.8 acres of land, more or less, situated in Hales Location, County of Carroll and State of New Hampshire described as Exhibit A attached hereto and being a subdivision together with an access road to West Side Road (the 'Development'): and

WHEREAS Developer has subdivided the Development into 118 individual house lots, and Developer has set aside other areas of the development for the common use hereafter defined: and

WHEREAS Cheryl Carleton owns a separate 8.1 acre parcel of land in Hales Location, County of Carroll and State of New Hampshire, described on Exhibit B attached hereto, said property is intended to become a commercial mixed-use property including a hotel having potentially 120 units; and

WHEREAS a 2 acre parcel of land described in deed dated July 28, 1989 from Cheryl Carleton to Robert H. Carleton, trustee of Hales Location Realty Trust is to be used as a maintenance area for the association, and

WHEREAS Developer and Cheryl Carleton desire to provide, in the event the hotel is developed, for the joint use and management of the golf course and common areas by the home lot owners and the owners of the hotel; and

WHEREAS Developer and Cheryl Carleton desire to provide for the preservation of the values in said development, and it is desired to define easements, covenants and restrictions for the protection of both the present and subsequent owners of home, home lots and owners of the hotel on said property of Developer and Cheryl Carleton; and

WHEREAS Developer desires to create an agency to which can be delegated the powers of maintaining and improving the property, administering and enforcing the covenanted restrictions, and collecting and disbursing the assessments and charges hereinafter collected, and to that end has caused Hales Location Owners Association (hereinafter referred to as the 'Association') to be incorporated as a non-profit corporation under Chapter 292 of the Law of New Hampshire; and

WHEREAS Developer desires that all buildings and other structures shall be harmoniously designed, landscaped, located and maintained and has provided covenants for this purpose;

NOW THEREFORE Developer declares that the real property described in Article II is and shall be held, transferred and occupied subject to the covenants, restrictions, easements, assessments, charges and liens (collectively referred to as 'Covenants and Restrictions') hereinafter set forth.

Article I

DEFINITIONS

The following terms when used herein shall be defined thusly:

I.1 "Assessments" shall mean the assessments and charges provided for ARTICLE V hereof.

I.2 "Association" shall mean and refer to Hales Location Owners Association, a New Hampshire not for profit organization and its successors and assigns. The "Board of Directors" or "Board" shall be its governing body.

I.3 "Common Expenses" shall mean and include expenditures lawfully made or incurred by or on behalf of the Association, or on behalf of an affiliated entity wholly owned by the Association members, and including those amounts then currently assessed for the creation and/or maintenance of reserves pursuant to the provision of the Declaration, the Articles of Association and the Association By-laws.

I.4 "Development" shall mean the subdivision referred to and described in the plans hereinafter defined, together with any lands or buildings heretofore or hereafter conveyed to and held by the Association.

I.5 "Declaration" shall mean and refer to this Amendment and Restatement of the Declaration of the Covenants, Restrictions and Easements of Hales Location Estates.

I.6 "Lot" or "Home Lot" shall mean and refer to Individual Home Lots.

I.7 "Individual Home Lot" shall mean and refer to each of the original one hundred seventeen (117) parcels of land, restricted to one single family home per parcel, shown on a plan entitled "Subdivision Plan of Land of Robert H. Carleton in Hales Location, NH, prepared for Hales Location Realty Trust, Mirror Lake, NH", said original Individual Home Lots being designated by the numbers 1 thru 119, excluding the numbers 58 and 91 and their respective size and location within the Property are as depicted on said Plan (collectively, the "Original 117 Home Lots"), together with an additional sixteen (16) parcels of land at Boulder Ridge, so called, restricted to one single family home per parcel shown on a Plan entitled "Subdivision Plan of Land in Hales Location, NH, known as Hales Location Subdivision Phase II", said additional Individual Home Lots being

designated by the numbers 120 through 135 and their respective size and location within Boulder Ridge are as depicted on the Phase II plan; the Association's Development being thereby limited to a maximum of one hundred and thirty-three (133) Individual Home Lots.

I.8 "Unit or Units" shall mean individual guest rooms or suites at the Hotel.

I.9 "Golf Course" shall mean the 9-hole golf course, or any expansion thereof, with tees, greens, fairways, irrigation and drainage system and related improvements, as shown on the Plan as "Fairways" or "Golf Course" which Golf Course is a part of the Association Land. For title reference see Quitclaim Deed of Robert H. Carleton, Trustee of Hales Location Realty Trust to Hales Location Owners Association dated December 23, 1997 and recorded at the Carroll County Registry of Deeds in Book 1730, page 883.

I.10 "Association Land", (sometimes referred to as "the common areas") shall be all the land described as Association Land on the plans together with the buildings, fixtures and improvements thereon and easements appurtenant thereto, all as more particularly described in Article VI.1 hereof, but, specifically excepting and excluding there from the Home Lots shown on the plans, the Hotel land and the utilities located on Individual Home lots and the Hotel land. Also except and excluded from Association fixtures are the subsurface septic systems and appurtenances thereto, if any, as located on or under the Association Land as shown on the Plan serving Home Lots numbered 5, 6, and 7 and serving the Hotel.

I.11 "Owner" shall mean and refer to one or more persons or entities who hold the record title to a Home Lot and to the record title holder of the Hotel property including the units therein, but excluding any party holding an interest as a tenant, lien holder or as security for the performance of any obligation.

I.12 "Plan" shall mean and refer collectively to the Plans entitled "Subdivision Plan Hales Location Country Club prepared for Hales Location Realty Trust Mirror Lake, NH" under the supervision of Underwood Engineers, Inc., recorded at Plan Book 118, Pages 67-72 and recorded as Plan Book 122, Page 3-A of the Carroll County Registry of Deeds and plans entitled "Subdivision Plan of Land in Hales Location, NH, known as Hales Location Subdivision Phase II" prepared by Paul L. King, LLS, PE and recorded in Plan Book 166, Page 14 in said Registry of Deeds; as may be amended of record.

I.13 "Hotel" shall mean and refer to the hotel and restaurant business, the 8.1 acres of land occupied by the Hotel having been conveyed to Gary Sullivan by deed of Robert H. Carleton, Trustee as aforesaid and Cheryl Carlton, dated May 1989 and recorded in said Carroll County Registry of Deeds in Book 1395, Page 188, its easements, buildings, fixtures and other improvements, known as the White Mountain Hotel, the owner of the hotel being the "Hotel Owner". The hotel has one hundred twenty (120) guest rooms, a restaurant with a capacity of one hundred and seventy (170) people, a ballroom/function room with a capacity of two hundred and twenty (220) people, a tavern with a capacity of seventy (70) people and a detached Clubhouse facility with a Pro Shop, Golf Cart storage and a Bar/Tavern with a capacity of sixty (60) people.

ARTICLE II

DESCRIPTION OF PROPERTY

The description of the real property (hereinafter sometimes referred to as “the Property” which is and shall be held and occupied subject to this Declaration, is located in the Hales Location Carroll County, New Hampshire and is collectively the Lots and Association Land subdivision, including the subdivision known as Boulder Ridge, described in Exhibit A attached hereto, the Hotel land site more particularly described in Exhibit B attached hereto.

ARTICLE III

HALES LOCATION OWNERS ASSOCIATION

III.1 The Hales Location Owners Association is a non-profit corporation created pursuant to RSA Chapter 292 of the New Hampshire Laws, and charged with the duties and empowered with the rights set forth in this Declaration. The affairs of the Association shall be governed by its Articles of Agreement and By-Laws attached hereto as Exhibits C and D respectively, and in conformity with the requirements of the Declaration.

III.2 By accepting and while holding title to a Home Lot and/or the Hotel property, each Owner becomes a member of the Association and bound by all of the provisions of the Declaration as well as the Association’s Articles, By-laws, Rules and Regulations and Amendments thereto.

III.3 There shall be a total of two hundred twenty-one (221) votes divided among all of the Association members. Sixty percent (60%) of the votes, that is one hundred thirty-three (133) votes, shall be allocated to the Home Lot Owners as a class. Forty percent (40%) of the votes, that is eighty-eight (88) votes, shall be allocated to the Hotel Owner as a class. There shall be one (1) vote in the Association for each Home Lot member, except in the instance where home lots have been merged pursuant to Article XIII.

In the event that Home Lots have been merged pursuant to Article XIII, then Article XIII shall control in determining the number of the merged home lot member’s votes. The Home Lot members shall, in the aggregate, control one hundred thirty-three (133) of the votes of the Association regardless of the total number of home lots.

III.4 The Association

- a. Shall maintain utilities and utility rights up to the boundary lines of all Individual Home Lots and to the boundary lines of the Hotel land, but not those portions of utility systems located within the Lots and the Hotel’s land; provided however, the Association shall not be responsible for providing water and the maintenance of the water systems (including the wells, tanks, pumps, pipes and easements relating thereto) to or for the benefit of Lots other than the original one hundred-seventeen (117) Home and the Hotel and,

- b. Shall initiate and/or take action to enforce the Covenants, Restrictions and Easements contained in this Declaration as well as the provisions of the Article, the By-laws and the Rules and Regulations.
- c. Shall levy and collect all assessments from the Owners and pay all taxes assessed against the Association properties and the Association Land and,
- d. Shall in furtherance of these specific purposes and in furthering the peace, safety, health and general welfare of the Owners, have and exercise the powers contained in its Articles, By-laws and the Declaration and the authority to do all acts necessary or desirable to carry out their purposes.

III.5 In addition to those recreational facilities constructed by the Developer on the Association lands, the Association may, subject to Section III.6 below, develop recreational facilities on the Association lands for the use of the Home Lots and the Hotel as the Board of Directors shall from time to time determine, provided that if such additional recreational facilities are constructed for the exclusive use and benefit of the Home Lot Owners, then the Hotel shall not be obligated to pay any of the costs of construction or operation thereof. Notwithstanding the foregoing, no capital expenditure for an additional recreational facility in excess of ten thousand dollars (\$10,000) shall be made or committed without the approval of three-quarters (3/4) of the aggregate voting strength of the members of the Association.

III.6 The Association is not operated for profit and shall not maintain or operate any hotel, lodging, inn, restaurant, beverage or take-out retail facility, financial, professional, commercial, industrial, retail or other similar facility or service.

III.7 The Association shall provide a refuse collection site on Association land for the individual Home Lot Owners and the Hotel. The Association shall not provide, or be responsible for the collection of any refuse on any individual Home Lot or on the Hotel land.

III.8 The Annual Meeting of the Hales Location Owners Association shall be held each year on the third Saturday in October, at an appropriate facility in Hales Location or, at the discretion of the Association's Directors, at an appropriate facility in North Conway, New Hampshire. Notice of the date, time and location of the meeting shall be sent to each Owner not less than forty-five (45) days prior to the date of the meeting.

III.9 Special meetings of the members of the Association may be called at any time by the President or by the Board of Directors and shall be called without delay upon the written request (to the Board) by one-quarter (1/4) of the aggregate voting strength of the Association. The notice shall state the purpose of the meeting, the date, time and place thereof (within Hales Location or at an appropriate facility in North Conway, New Hampshire) and shall be sent to each Owner not less than forty-five (45) days prior to the date of the meeting.

ARTICLE IV

BOARD OF DIRECTORS

IV.1 The affairs of the Association shall be managed by the Board of Directors consisting of five (5) Directors, three (3) of which shall be elected as a class by the Home Lot Owners and two (2) of which shall be elected as class by the Hotel Owner. The number of Directors shall not be amended without approval of three-quarters (3/4) in interest of all Owner/Members.

IV.2 The Board of Directors shall:

- a. Adopt and amend by a three-quarters (3/4) vote and publish reasonable nondiscriminatory rules and regulations governing the use of Association land and facilities thereon, subject however to the terms of this Declaration.
- b. Establish the annual budget and expenses of the Association so as to operate and maintain the Association land and perform its functions in a first class manner and determine the amount of annual assessments for which provision is made in Article V.
- c. Take such other action as may be reasonably necessary to the good and proper management of the Association.
- d. Have and exercise such powers as provided in the Association's Articles and By-laws.
- e. That the Board of Directors is specifically authorized and directed to enter into such contracts or other agreements necessary and/or useful to provide for proper police protection, to maintain the law and order on the property, to provide for proper fire protection, and rubbish disposal for all members.

IV. 3 The Board of Directors shall have the authority to accept on behalf of the Association, conveyances of real and personal property and assignments of easements, rights and privileges including those reserved to Developer by this Declaration. The Board of Directors on behalf of the Association shall be obligated to accept from the Developer conveyance of the Association properties and the Association land described herein.

The Board of Directors shall serve pursuant to the By-laws of the Association.

IV.4 Initially, the Rules and Regulations governing the Golf Course shall be as set forth in Exhibit E which shall not be amended without the consent of each of a majority of each of the Hotel directors and of the Home Lot Owner directors.

ARTICLE V

ASSESSMENTS

V.1 Each owner of a Home Lot and the Hotel by acceptance to title thereto, whether or not there shall be reference to such covenant in the deed or other conveyance to such owner, shall be deemed to covenant and agree to pay to the Association such assessments as may be established or hereinafter provided. For purpose of assessment provisions as otherwise appropriate, "Lot" shall also be defined to mean a Home Lot but not the Hotel. In the event the ownership of the Hotel is divided, the liability of each owner of the Hotel unit shall be allocated in accordance with a recorded agreement.

V.2 The total amount of the assessment by the Association shall each year be fixed by the Board of Directors, provided that no Home Lot shall be assessed an amount in excess of any other Home Lot, including Lots not yet conveyed by the Developer. The Hotel's share of the assessments shall equal that of one hundred and twenty (120) Home Lots, provided that the provisions of Section V.10 shall govern. The total number of assessing units shall be the sum of 120 plus 118 unless additional Home Lot units are subjected to the Declaration. The annual assessment may be divided by the Board of Directors into twelve (12) equal monthly installments and shall be due and payable on the first day of each month. If annual installments are not used, the assessment shall be due and payable within thirty (30) days of the mailing of notice of assessment to owner.

In addition to the annual assessment described hereinbefore, the Board of Directors may levy a special assessment in any year to obtain funds necessary for any duly authorized purpose under the Association's Articles, provided that approval of such levy is given by three-fourths (3/4's) of the aggregate voting interest of the Association.

If in accordance with Article XII, any future Home Lots or condominium units are later submitted to this Declaration, they shall also each bear an assessment equal to that of an original Home Lot plus any additional assessment burden for the cost of maintaining the improvements and providing services on any 'Limited Use Lots' on which they are located.

V.3 Assessments made pursuant hereto, together with interest thereon computed from the due date of each assessment at the rate of one and one-half percent (1 ½%) per month, and all costs of collection thereof, including attorney's reasonable fees, shall be a charge on the Lot and a continuing lien upon the property against which such assessment is made and shall also be the personal obligation of the owner of such property as of the time payment thereof shall become due. Said lien shall be enforced in the same manner as a Power of Sale Foreclosure pursuant to New Hampshire Revised Statutes Annotated Chapter 479. Upon 30 days prior written notice, the Board of Directors of the Association may suspend the owner's right to use the Golf Course.

The Association shall have the right to impose a ten dollar (\$10.00) monthly service charge upon each Lot Owner whose assessment is thirty (30) days overdue, in addition to the interest imposed as previously set forth. The Secretary of the Association shall, upon conveyance of any Lot or the Hotel, issue a certificate of payment of assessments and

release of lien if no outstanding assessments shall be due from said Lot or the Hotel. The Association may charge a reasonable fee for issuing such certificates.

V.4 All assessments levied by the Association shall be used exclusively for the purpose of promoting the recreation, health, safety and welfare of the owners at the Development and Hotel (including the guests, employees and business invitees thereof) and, in the minimum shall provide for maintenance of the Association land and the Association properties, services and facilities devoted to this purpose in a first class manner, for an adequate reserve fund for maintenance, repairs and replacement of those elements of Association property that must be replaced on a periodic basis, New Hampshire real estate taxes and liability and fire insurance on the Association land. Fire insurance on the Association properties shall be in an amount not less than one hundred percent (100%) of the insurable value based on current replacement cost. Any proceeds paid under said policy shall pay for the repairs, replacement, or reconstruction of the lost or damaged property.

V.5 The lien of the assessments provided for herein shall be subordinate to any first mortgage lien of any institutional lender of record now and hereafter placed upon the properties subject to assessment.

V.6 A purchaser of a Lot or the Hotel shall take title to the Lot or the Hotel subject to any and all liens for unpaid assessments.

V.7 First mortgagees, may jointly or singly, pay taxes or other charges, including assessments that are in default and which may or have become a charge against any Association property and may pay overdue insurance premiums on hazard insurance policies or secure new hazard insurance on the lapse of a policy. Any such payment by a first mortgagee, except for payments of taxes on individual Lots or assessments on the same, shall be entitled to immediate reimbursement from the Association.

V.8 Upon request of any first mortgagee, the Association shall notify the first mortgagee, in writing, of any default in the above provisions by the mortgagor, which have remained in default for a period of sixty (60) days.

V.9 That the initial annual assessment of One Thousand Dollars (\$1,000.00) per Home Lot shall commence for the fiscal year beginning July, 1989, which shall continue until July, 1991. To the extent of any deficiency in the Association's budget, until the sooner of July 1, 1994 or two (2) years after the Hotel is opened for business to the public or the developer selling 75% of lots in the Development, the Developer, its successors or assigns, shall pay such deficiency in the Association's operation as an assessment against all Home Lots owned by the Developer.

V.10 The Hotel will pay no additional Assessments for any Hotel Room or Unit Expansion for the first ninety (90) days after the date of Expansion Completion. Date of Expansion Completion is defined as the date the first room or unit is occupied for a fee. For the period of ninety (90) days to one (1) year from Expansion Completion date, the Hotel will pay 25% of the total assessment due for the total of the additional rooms or units prorated for the calendar year. One (1) year from the Expansion Completion date, the Hotel will pay 100% of the assessments due for the additional rooms or units expansion prorated for the calendar year.

ARTICLE VI

ASSOCIATION LAND

VI.1 Association Land and Property shall be considered “common areas” and shall be devoted to the social welfare, use and enjoyment of the Owners of the Home Lots and the Hotel. Such Association Land and Property includes, but not by way of limitation, the Development roadways, pathways, maintenance lot and building, maintenance equipment, utility lines, fire protection systems, the drinking water source and system which provides service only to the boundary lines of the 117 original Home Lots and the Hotel, the irrigation water sources and system, the access road to West Side Road, roadway lighting and signage, recreational facilities, the nine hole Golf Course and its fixtures and equipment together with all easements and right appurtenant to the forgoing Association Land and Property; subject, nevertheless to any pre-existing easements of record.

VI.2 Fire and casualty insurance on all Association Properties shall be in an amount not less than one-hundred percent (100%) of the insurable value thereof based on current replacement cost. Any proceeds paid under said policies shall be expended for the repairs replacement or reconstruction of the lost or damaged property unless the Board of Directors shall determine that such use is impractical or no longer appropriate, in which event, if such proceeds exceed ten thousand dollars (\$10,000), the total proceeds shall be applied by the Board of Directors only with the consent (by vote) of a majority of the aggregate voting strength of the Association members. Failing such a vote, or if the total proceeds are less than ten-thousand dollars (\$10,000), the proceeds shall become part of the general funds of the Association.

VI.3 Association land shall be managed in such a way as to promote the owners’ enjoyment of the wooded, natural state of the land excepting the golf course which shall be maintained as a first class nine hole golf course.

VI.4 Subject to this Declaration, all Home Lot Owners and Hotel shall have a right and easement of enjoyment in common with others in and to the Association Land including, but not limited to, easements of access ingress and egress thereto, the installation, maintenance, repair and replacement of utility lines to and from West Side Road over the access roads and roadways shown on the Plan and to the Lots and Hotel, which easement shall be appurtenant to and shall pass with the title to every Home Lot and Hotel whether or not expressly mentioned in a deed or other conveyance thereto. Home Lot members shall the right to delegate such rights of enjoyment to persons residing in their Home Lots

who are members of their immediate families. The Hotel owner may delegate the right of enjoyment of the Association Land to the Hotel's guests, employees and business invitees. All users of the Association Land shall be subject to reasonable, uniformly applicable rules and regulations relating thereto, established by the Board of Directors of the Association and shall be subject to the provisions of the Declaration and the Association By-laws relating to the use of the Association Land.

VI.5 Access to the Golf Course and its appurtenant facilities and improvements, while the Golf Course is open for play, shall be subject to the rules and regulations of the Hales Location Golf Course, Inc. as approved by the Board of Directors of the Association, provided however, that said rules and regulations, the operation of the Golf Course, reserved tee times and the payment of greens fees by the Owners and others shall in any event, be subject to and consistent with the provisions of The Operation of the Golf Course.

VI.6 Each of the Hotel and Owners of Home Lots 5, 6, and 7 are and shall be jointly and severally liable for the repairs, maintenance and rebuilding of the underground subsurface septic sewage disposal systems under Association Land which serve their respective Home Lots and the Hotel. The Hotel and said Owners will undertake all such repairs, maintenance and rebuilding expeditiously and with as little damage to or disruption of the use of the Association Land as possible. If such Owners and the Hotel fail to do so, then the Association may undertake such repairs at the risk and expense of such Owners and the Hotel in the form of a special assessment without the necessity of an Association vote as specified in Article V. In the event any such system fails and cannot properly function where situated, it may be rebuilt at another suitable place under the Association land subject to the approval of the Board of Directors. The Hotel and said Lots numbered 5, 6, and 7 have, and continue to have easements appurtenant for the installation, repair, maintenance, and rebuilding of said subsurface septic systems under the Association Land.

VI.7 By Quitclaim Deed recorded in the Carroll County Registry of Deeds at Book 1730, Page 882 all right and title and interest in the water system was conveyed to the Association including ownership and rights in the wells, tanks, pumps and waterlines servicing only the original one-hundred seventeen (117) Home Lots, the Hotel and the Golf Course. Potable water shall be supplied by the Association to the boundary of each of the original one-hundred seventeen (117) Home Lots and each such Lot shall be charged a reasonable water hook-up connection fee for each residence thereon. A reasonable annual fee may, but need not, in the discretion of the Board of Directors, be charged for such water service. If an Owner entitled to such service does not wish the same, such Owner may install a separate water system on their Lot at such Owner's own expense, subject only to the recommendations of the Architectural Review Committee and the approval of the Board of Directors.

VI.8 Association Roads and Ways – Operation of golf carts on and within the Association roads and ways (paths) shall be subject to the following operator requirements:

- a. The operator (driver) shall hold a valid Motor Vehicle license (or Motorcycle license, as the case may be) for the operation of motor vehicles, or
- b. Be not less than twelve (12) years of age and possess a current permit for the operation of off highway recreational vehicles (golf carts) issued by a duly authorized agency of the State of New Hampshire, or have attained the age of eighteen (18) years.

ARTICLE VII

HOME LOT RESTRICTIONS

VII.1 The following restrictions are imposed upon each Home Lot for the benefit of every other Lot and the Hotel on the property and may be enforced by any owner including the Developer, Cheryl Carleton or the Association:

- a. Each Home Lot shall be used for residential purposes only. Home Lots are permitted one residential structure and reasonable, accessory structures for garage and other permitted purposes, that is, for a single family dwelling only. No duplexes or multi-family dwelling shall be permitted. All residential structures and accessory structures shall be subject to the architectural review, including exterior finish and other aesthetic considerations, of the Developer and may not be built without the prior written approval of the Developer, or its successors and assigns to whom this right is respectively conveyed. Upon the sale of the final Home Lot by the Developer, this review shall be conducted by the Association. The review will be governed by the provisions of the Design Review Process attached hereto as Exhibit F. Provided, however, the Developer reserves the right to use or convey Lots for temporary real estate sales or rental offices and that should Lots #1 and/or #2 be acquired by the owner of the Hotel, then such owner may use such lots for Hotel and related commercial purposes so long as such lots are so owned.
- b. No use shall be made of the land to interfere with the quiet enjoyment of such in its natural state. No sign, billboards, posterboard, or advertising structure of any kind shall be erected or maintained on any home lot or structures for any purpose whatsoever, excluding the Hotel and directional and entrance signs placed by the Hotel and except such signs as may have been approved by the Developer, or its successors or assigns, the Board of Directors of the Association, and its successors or assigns. The Developer and its agent may place, however, “For Sale” signs on Lots. As to homes built on ‘speculation’ “For Sale” signs shall be reasonably permitted.

- c. No motorized off-the-road vehicles shall be operated on any Lot or Association land, including but not limited to, snowmobiles, trail bikes and all terrain vehicles except as provided in Section IX.8 for cross-country ski trail construction and maintenance by the Hotel. However, golf related vehicles operated exclusively by the Hotel owner or his concessionaires may be used subject to reasonable rules relating thereto to be enacted by the Board of Directors.
- d. Tanks for the storage of fuel maintained on any Lot shall be buried or enclosed.
- e. No fowl, horses, household pets or other animals shall be kept on any Lot, except that a reasonable number of the usual household pets may be kept on Home Lots in conformity with those regulations from time to time established by the Association.
- f. No rubbish, junk, cuttings, or other refuse shall be deposited or permitted to remain on any Lots. No trash, ashes or other refuse may be thrown or dumped on any land. The burning of refuse outdoors shall not be permitted. No incinerator or other device for the burning of refuse indoors shall be constructed, installed or used by any person except as provided by the Association for the collection of refuse, which shall be screened from view and protected from disturbance.
- g. No clothesline, air conditioning equipment or other personal property of a similar nature shall be maintained, kept, stored, placed or left where it may be seen by the general public or other owner, without the prior written consent of the Directors.
- h. No trees of greater than four (4) inches in diameter at a point two (2) feet above ground level on any home lot shall be cut or removed without written approval of the Board of Directors except as permitted under the Design Review Process.
- i. No unregistered or inoperable motor vehicle shall be moved onto or kept on any Home Lot or on the Association Land.
- j. No temporary structure, excavation, basement, trailer, or tent shall be permitted placed, moved onto, or erected on any Home Lot except during the initial construction period.
- k. All electrical and telephone and other utility service lines shall be placed underground and no outside electrical lines shall be placed underground and no outside electrical lines shall be placed overhead unless written permission to do so is first obtained from the Directors.
- l. Each owner shall, at his own expense, keep his Lot and its equipment and appurtenances, including landscaping, in good order, condition and repair. Each owner shall immediately notify the Association or its agents of any damage to or malfunction of any facilities for the furnishing of utility services or waste removal.

- m. No owner shall, without prior consent of the Directors, make or permit to be made any structural alteration, improvement or addition to the exterior of his home nor impair any easement or right or personal property which is part of the Home Lot.
- n. No Home Lot owner shall, without prior consent of the Directors, paint or redecorate the exterior of his residence or accessory buildings as to alter its approved appearance or disrupt the harmonious integrity of the homes.
- o. It is recommended, but not required, that all residences and attached structures shall contain a water sprinkler system, which shall meet the requirements and specifications of the State of New Hampshire with respect to fire safety.
- p. All sewage disposal systems shall be constructed in compliance with applicable law. All subsurface sewage disposal systems shall be maintained and kept in good operating condition so as not to permit any sewage or waste to reach the surface. Any sewage disposal system that fails shall be properly replaced and shall be operated, maintained and controlled so as not to create a nuisance or any health hazard.
- q. That in the event there is in existence any stonewall abutting a roadway or upon a home the wall shall be maintained in its natural condition and shall not be dismantled, removed or changed without written permission of the Association.
- r. No hunting, trapping or other interference with the natural life cycles and pattern of birds and animals shall be permitted on the property except as may be necessary to control pests and vermin. No firearms shall be discharged on any property and any common area whatsoever.
- s. All homes constructed shall be completed and landscaped within one year from commencement of excavation on the property.
- t. Private swimming pools and tennis courts or similar areas located on a lot for outdoor physical activities and games, if any, shall not be erected or constructed in the front of any residence on a Home Lot and shall be adequately fenced. No above ground pools shall be erected on any Home Lot. No such areas for outdoor physical activities or games shall be allowed to be offensive to abutters or to become a nuisance by reason of noise.
- u. No obstruction to traffic on any roads or blocking of entries of Home Lots by reason of the parking of vehicles shall be allowed. Owners shall be responsible for any and all obstruction by members of their household, their lessees and guests. Vehicles shall not exceed 15 MPH while traveling on roads including but not limited to roads leading from West Side Road to the subject premises.

- v. Gravel, loam, compost, leaves, fertilizers or other mineral waste product or commodity shall not be piled nor stored on any Home Lot without prior written permission of the Directors. Snow and ice shall not be dumped on roads so as to create an obstruction to traffic or interfere with the view of adjoining property.
- w. That the Association's Board of Directors, upon a vote of three-quarters (3/4) thereof, is empowered to adopt and amend, from time to time, reasonable rules and regulations concerning the use of the Association Land provided that such rules are not contrary to or inconsistent with this Declaration. Copies of the rules shall be furnished in writing to all Home owners and Hotel owner at least thirty (30) days prior to the time when they shall become effective. A vote of the owners by majority interest of the Lot Owners present or voting by proxy at a meeting of the Association may overrule and declare void any rule adopted by the Board provided that notice of the proposal to overrule such a rule shall be included in the notice of the meeting. An Association meeting shall be scheduled within 30 days by the Board of Directors whenever one shall be requested in writing by at least 25% in voting interest of the Owners.
- x. No use shall be made of any Home Lot which will reasonably affect the flowage of ground water and no use shall be made that will affect the flowage or quality of water of any stream running through the development without prior approval by all local, state, and county regulatory agencies and approval of the Board of Directors.
- y. Where strict conformity with the provisions of these restrictions shall cause undue hardship or injustice to an Owner, the Board of Directors shall have authority to grant a variance therefore by a three-quarters (3/4) vote, provided that there is substantial compliance with these provisions and provided that any other owner is not adversely affective to any material degree.
- z. That except as required for construction purposes or operation of the Golf Course, no commercial vehicle shall be kept on any Residential Lot or other Lot in the development without prior permission of the Board. This provision shall not apply to the Hotel property but rather to the initial 117 lots owned by Hale's Location Reality Trust provided, however, that any commercial vehicles upon the Hotel shall be for uses incidental to use of said property as a hotel type complex including tour buses, delivery trucks, golf carts, vans and similar vehicles.
- aa. That no above ground structures shall be constructed on any Home Lot within 150 feet of the center line of a fairway except as required for installation of septic systems. To the extent this provision is inconsistent with any other provision of the restrictions this provision shall supersede and govern the same. The intent and purpose of this provision is to prohibit structures being built on a lot within 150 feet of the center line of a fairway so as to avoid damage to a structure as a result of the playing of golf.

- ab. Home rentals are not permitted. Notwithstanding this restriction, the Board of Directors shall have the authority to grant a financial hardship exception to this section based upon clear evidence provided by an owner of such need. Any hardship application which is granted shall be for no more than one year, but an owner may apply for and the Board of Directors may grant additional terms for a hardship exception as needed.

The foregoing provisions shall not apply to the Hotel.

ARTICLE VIII

DISREPAIR AND DESTRUCTION

VIII.1 In the event any structure or home lot falls into such a state of disrepair as to be deemed a 'hazardous building', being defined as any structure or part of a structure which, because of inadequate maintenance, dilapidation, physical damage, unsanitary condition or abandonment, constitutes a fire hazard or a hazard to public safety or health, the Board of Directors may order the Owner thereof to correct the hazardous condition of such building. The order of the Board shall state in writing the grounds therefore, specifying the necessary repairs and providing ninety (90) days for compliance, which time limitation may be extended by the Board if it determines the Owner is using best effort and all available resources to comply and correct the conditions which are the subject of its order in an expeditious manner. In the event of failure of the Owner to comply, the Board may cause the building to be repaired or, if necessary, in its opinion, razed and if practical in its opinion, rebuilt to its original design and specification or to such new design and specifications as the Board shall deem appropriate under the circumstances.

VIII.2 The Board of Directors shall keep an accurate account of expenses incurred in carrying out its order and of all other expenses theretofore incurred in connection with its enforcement, including specifically, but not exclusively, any and all attorneys' fees, construction charges connected with labor, material and services in repair and/or rebuilding or the premises from the time the order was originally made and shall credit thereon the amounts, if any, received from the sale of the salvage or building or structure and any casualty insurance payments. If the amount received from the sale of the salvage, including any personal property and fixtures situated therein and insurance proceeds does not equal or exceed the amount of expenses, the Board shall establish the amount of the difference as a deficiency. Which amount shall be a continuing lien against the property together with interest thereon computed from the expiration of the ninety (90) day period for compliance at the rate of one and one-half (1-1/2%) percent per month along with all costs of collection including attorneys' reasonable fees. Said lien shall also be the personal obligation of the Owner (and the principal beneficiaries of the Owner if the Owner is a trust, partnership or corporation, all as described in Article V.1 hereof) of such property and shall be enforced in the same manner as a Power of Sale Foreclosure pursuant to New Hampshire Revised Statutes Annotated Chapter 479.

ARTICLE IX

RESERVED EASEMENTS AND RIGHTS

IX.1 The Association expressly reserves the following perpetual easements and rights (but not by way of limitation of any other easements and rights which may be described or referred to in this Declaration) in all Home Lots and in the Association Land to allow for any of the following uses and purposes and all conveyances of interests in the Home Lots and Hotel property are and shall be subject thereto and to any other such easements and right whether or not the same are set forth, described or noted in deeds or other conveyances of interests in the Home Lots or Hotel:

- a. Installing and maintaining service boxes, poles, wires and conduits, above or below ground, for the transmission of electricity and telephone messages and cables, conduits and wires above or below ground for Members' and Association's radio, internet and television services as well as other transmission purposes and for necessary attachments in connection therewith;
- b. Installation, control and maintenance of facilities (pumps, etc), ditches, pipes and culverts for surface water drainage storm drains and sewer systems, water and gas mains and water supply systems including water lines for irrigation and for the Association's potable water system and pipes and appurtenances thereto.
- c. The construction and maintenance of slopes and cuts in conjunction with roadways and pathways upon the property;
- d. Installing and maintaining any other method of conducting and performing any public or quasi-public utility or service function over or beneath the surface of the ground;
- e. Replacing, repairing and servicing any of the foregoing, including trimming and cutting of growth incidental thereto.
- f. Use of Association Land and Property for building construction and sales purposes conducive to the completion of this Development and for construction of recreational facilities and related amenities.

IX.2 The Association Land shall be subject to perpetual easements in favor of said Home Lots 5,6 and 7 and the Hotel respectively for the purpose of installation and the maintenance, repair and replacement of septic system disposal systems on Association Land to serve their respective Home Lots and the Hotel, with the perpetual right to install pumps, pipes, conduits, vents, chambers, tanks and lines appurtenant thereto and alter the surface of the earth and grades thereof, together with rights of access on foot and by motor vehicle thereto; provided that such Association Land (including the Golf Course) shall be expeditiously restored to a condition reasonably consistent with that which existed prior to such repairs, replacement or relocation in accordance with Article VI.6 hereof.

IX.3 The Association reserves for itself, in common with its successors and assigns to the Home Owners the right to pass and re-pass on foot and by vehicle for residential purposes over the roadways and certain corridors between Lots #65 and #66 (Boulder Ridge Road) and between Lots #85 and #82-84 (Link Drive) as well as over Association land and/or lots shown on the Plan leading to Boulder Ridge, together with the right to convey such rights of way to in common with others having an interest or need to pass over the same as aforesaid, provided that in any event all non-Association member users shall pay a reasonable fee based on the total costs of road maintenance and administration incurred by the Association for such users allocated on a pro rata basis if access is provided to property not on a part of the Development.

IX.4 To the extent any fairway, tee, green of the Golf Course or golf cart path may infringe upon a Lot, an easement is expressly reserved to allow reasonable construction, maintenance and use of same upon that portion of any Lot so burdened. In furtherance hereof, no improvement shall be made by the Owner on the burdened portion without the express written consent of the Board of Directors.

IX.5 Every Lot and the entire Development is burdened with an easement permitting golf balls unintentionally to come upon the Association Land and the Lots adjacent to or near the Golf Course and permitting golfers at reasonable times and in a reasonable, unobtrusive and polite manner to retrieve their errant golf balls. This easement shall not relieve golfers from liability for damages caused by errant golf balls nor shall such golfers be relieved of liability for their unreasonable exercise of this easement or their unreasonable interference with a Lot Owner's privacy or private activities, which, in either case shall void their right to exercise this easement.

IX.6 The Association and the Hotel reserve to themselves, their successors and assigns the right and an easement to landscape and maintain signage at the entrance to the Development on West Side Road.

IX.7 A potential purchaser of a Lot should, prior to entering into a contract of purchase, carefully examine this Declaration and the Lot's location to determine how, if at all, the easements and rights referred to above and elsewhere in this Declaration, including but, not limited to easements for electricity, telephones, water lines, drainage easements and golf playing rights, etc. affect the use of such Lot.

ARTICLE X OPERATION OF GOLF COURSE

X.1 The primary recreational amenity appurtenant to the Home Lots and the Hotel in the Development known as Hales Location is a nine-hole golf course situated upon the Association Land. The golf course shall be maintained and operated in a first class manner by the Association, its affiliates and/or their respective agents, employees or representatives. The Association shall have the right to delegate management of the golf course operations to a management company (which may include the Hotel) upon terms and management fees, which are satisfactory to the Association and the terms of this Declaration.

X.2 The persons identified below shall have the right to use the golf course, when open, for golfing purposes indicated, subject to the Rules and Regulations published by the Hales Location Golf Course, Inc. and which shall not be inconsistent with, or in derogation of, the terms and provisions enumerated below or elsewhere in this Declaration:

- a. The owners(s) of record of Home Lots in good standing and/or members of their households who reside **legally** and **permanently** with such owners and are registered with the Association, but not to exceed a total of four (4) such owners and individuals per Home Lot, may play the Hale's Location Golf Course without payment of any additional fee.
- b. All registered overnight guests of the Hotel as well as the owner(s) of the Hotel (which for the purpose only may mean and include any officer(s), director(s) or employee(s) of the Hotel, but not to exceed a maximum total of four (4) such individuals each of whom shall be registered with the Association) may play the golf course without payment of greens fees.
- c. All other persons and the public may be entitled to play golf on the golf course only upon payment of greens fees, provided that the rules and regulations may grant priority to the users identified in subsections (a) and (b) above.
- d. Nothing herein shall be deemed to dedicate the golf course for public use or create an easement over the golf course in favor of the public. Any person who is a paying customer as provided herein shall be required to obey all of the rules of conduct in use by the Association regarding the use of and play on the Hales Location Golf Course.
- e. No person may further transfer or assign him priority rights to make reservations to play the golf course. Each Owner shall be responsible for the payment of all charges incurred by his or her spouse, members of his or her immediate family, guests, designees, invitees and employees.

X.3 The Association, its Officers, Directors and the Hotel shall have free immediate access to the pro-shop facility and its records and its reservation lists at all times.

X.4 At no time shall the Association be responsible for the operation of the restaurant – pro shop facility, during time periods provided for herein, which shall be at the exclusive option of the Hotel and located in the Hotel, so long as such facilities are available from the Hotel.

X.5 The Association may, by a vote of three-quarter (3/4) of the aggregate voting strength of the Association and without amending this Declaration, make a determination as to whether or not members of the general public shall be invited to use the Golf Course upon the payment of greens fees or otherwise in order to assist in generating income to defray costs and expenses of operating the Golf Course and facilities associated with it. No such action by the Association shall affect, change or impair the Hotel's right to allow Hotel guest and staff users to use the golf course without payment of greens fees, or to allow its business invitees and others introduced by the Hotel to use the golf course as provided in Section XI.2.b and c. above, upon the payment of greens fees.

X.6 The rules and regulations pertaining to the operation of the Golf Course and methods and manners of play thereon, promulgated and published by the Hales Location Golf Course, Inc. and approved by the Directors of the Association, may not be made void in whole or in part, nor be amended in any material manner except upon the approval by three-quarters (3/4) vote of the Board of Directors.

X.7 During the off season, the Association shall have the right to operate and maintain on the Association lands (excluding the golf course greens) a cross-country ski facility at its sole expense and create and groom cross country trails.

X.8 Owners and members of their immediate families shall be entitled to seventy (70%) percent of the scheduled tee times on the Golf Course on weekdays and not less than fifty (50%) percent of the scheduled tee times on weekends and holidays. Home Lot Owners may reserve tee times more than forty-eight (48) hours in advance. Reservations made less than forty-eight (48) hours in advance will not be subject to the availability guidelines established in this Section.

X.9 To the extent any provision of this Article is contrary to or inconsistent with any other provision of the Declaration and/or the By-Laws of the Hales Location Owners Association, this Article X shall govern and supersede such other provisions for the purpose hereof.

ARTICLE XI

EXPANSION OF HALES LOCATION ESTATES

XI.1 The Association shall have the power and right to expand the land subject to this Declaration for additional residential Home Lots and additional land for common areas to be Association land. The common amenities and facilities serving any added Home Lots shall be fully constructed and improved at the time of addition of such land to the Development and shall be of the same quality as the original common areas and facilities, including without limitation all roads and utility systems. Residences and appurtenances on any such additional Home Lots shall be subject to the Architectural Review and approval by the Board of Directors in the same manner and of the same quality of construction and style as the existing residences on the existing Home Lots.

XI.2 No such expansion shall decrease the voting interest on the Hotel below forty percent (40%) of the total votes of the Association or revise the class voting provisions for elections to the Association's Board of Directors.

ARTICLE XII

MERGER OF HOME LOTS

XII.1 The Owner of two abutting Home Lots may merge the same into one Home Lot. Assessments thereof shall be equal to the sum of the assessments, which would have applied to each Lot but for the merger.

XII.2 The Owner(s) of two Home Lots that own a Home Lot between and abutting both outlying Home Lots may cause the intervening Home Lot to be subdivided in such fashion as the Owner(s) so desire and cause the divided intervening Home Lot to be merged into the outlying Home Lots, resulting in, two larger Home Lots being created from three (3) Home Lots. The increase in assessments of the resulting larger Lots shall be pro-rated between them.

XII.3 A merged Home Lot may be subdivided into two (2) parcels separately owned provided, however, that no dwelling, building or other structure not in existence on said lot previous to such subdivision shall be erected or permitted on either resulting parcel. A merged lot so subdivided may be returned and titled to its original lot status by the owners thereof, whereupon it shall be obligated to all the original covenants and restrictions and entitled to all of its original rights, privileges and obligations.

XII.4 In the event of any merger or subdivision of Home Lots to be made pursuant to this Article, the Home Lot Owner(s) shall have an appropriate plan prepared by a registered land surveyor, signed by the same and shall submit such plan for approval by the Board of Directors and any governmental approval that may be required and thereafter cause such plan to be recorded in the Carroll County Registry of Deeds.

ARTICLE XIII

MISCELLANEOUS

XIII.1 The Covenants, Restrictions and Easements of this Amended and Restated Declaration and its exhibits supersede the original Declaration and its exhibits as it and they may have been amended prior to the approval, adoption and publishing of this Amended and Restated Declaration, the said Covenants, Restriction and Easements of which shall run with and bind the land, and shall inure to the benefit of and be enforceable by the Association, or any Owner their respective legal representatives, heirs, successors and assigns, for a term of thirty (30) years from the date this Amended and Restated Declaration is recorded in the Carroll County, New Hampshire Registry of Deeds, after which time said Covenants and Restrictions shall be automatically extended for successive periods of ten (10) years each unless an instrument signed by the Board of Directors has been recorded, certifying that a vote of the then Owners has been taken and that three-quarters (3/4) of the total voting interest of all Owners not including the

Developer, have agreed to change or terminate said Covenants and Restrictions in whole or in part; provided, however, that no such agreement to change or terminate shall be effective unless written notice of the proposed agreement is sent to every Owner at least forty-five (45) days in advance of such action taken.

Notwithstanding the forgoing easements running with and appurtenant to the Association Land, the Home Owners' Lots or the Hotel's land which were reserved or granted to the Association, the Home Lot Owners and/or the Hotel prior to the effective date of this Amended and Restated Declaration, if and to the extent inconsistent with the terms of the easements described herein, shall survive.

XIII.2 Any notice required to be sent to any member under the provisions of this Declaration shall be deemed to have been properly sent when sent by first class mail (or certified mail if specially required by a provision hereof) in a sealed envelope postpaid, to the last known address of the person who or the entity which appears as a member on the records of the Association at the time of such mailing. It is the responsibility of each member of the Association to inform the Association of the member's current mailing address, any subsequent mailing address changes and any changes in the title and ownership of the member's real estate and easements within the Development.

XIII.3 If the Declaration or any instruments thereof create any rights of first refusal or other restraints on free alienability of an Owner's interest in the Development the Association or the Members (acting through the President of the Board) shall promptly furnish to such Owner or purchaser requesting the same a recordable statement certifying to any waiver of, or failure or refusal to exercise, such rights and restraints, in all cases where such waiver, failure, or refusal does in fact occur.

ARTICLE XV

AMENDMENTS

XV.1 This Amended and Restated Declaration of Covenants, Restrictions and Easements and the provisions set forth herein or in any Declaration supplementary hereto may be amended at any time by a three-quarters (3/4) of the aggregate voting strength of the Association and ratified by a three-quarters (3/4) vote of the Board of Directors provided:

- a. No such amendment shall be effective unless written notice of proposal thereof shall be sent by first class mail to every member of the Association (at last known mailing address provided the Association by the member) at least forty-five (45) days in advance of the meeting at which the same is considered; and
- b. An instrument setting forth such amendment and signed by the Secretary of the Association in the same manner required for the conveyance of real property is recorded in Carroll County, New Hampshire Registry of Deeds in which this Amended Declaration is recorded; and

- c. No such amendment shall be effective to relieve the Association of the obligation to maintain the Association Lands or impair any easements reserved or granted to the Association heretofore or by this Amended Declaration.

ARTICLE XVI

TITLE HEADINGS

The title headings as to the contents of particular Articles are inserted only as a matter of convenience and for reference, and in no way are, nor are they intended to be, a part of this Declaration nor in any way define, limit or describe the scope or intent of the particular section or clause to which they refer.

CERTIFICATE OF VOTE

I, Trevor Sullivan, Secretary and duly authorized representative of the Hales Location Owners Association hereby certify that at the October 20th, 2018 annual meeting, three separate votes were taken and passed by the requisite three-quarters majority of the eligible Owners/Members of the Hales Location Owners Association to amend the 2014 Restatement of Declaration of Covenants, Restrictions and Easements of Hales Location Estates as details in the attached document. The consent and approval required of the Unit Owners for its adoption has been obtained.

A TRUE COPY ATTEST

 /Trevor Sullivan/
Trevor Sullivan - Secretary

Dated: 12/05/2018