

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR

STAGECOACH FARMS, DURHAM, NEW HAMPSHIRE

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REGISTER OF DEEDS
STRAFFORD COUNTY

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This Declaration of Covenants, Conditions and Restrictions is made this 18th day of August, 1988, by FARRELL, MARTIN & PULITZER PARTNERSHIP, a New Hampshire partnership (hereinafter referred to as "Declarant").

W I T N E S S E T H :

Declarant is the owner of the real property described in Exhibit "A" Attached hereto and incorporated herein by reference and as shown on Plans # 34-22as recorded in the Strafford County Registry of Deeds. Declarant intends by this Declaration to impose upon the property mutually beneficial restrictions under a general plan of improvement for the benefit of all owners of residential property within STAGECOACH FARMS. Declarant desires to provide a flexible and reasonable procedure for the overall development of the property and to establish a method for the administration, maintenance, preservation, use and enjoyment of such property as is now or may hereafter be submitted to this Declaration. The Association hereby created may perform educational, recreational, charitable and other social welfare activities.

NOW, THEREFORE, Declarant hereby declares that all of the property described in Exhibit "A" and any additional property as may by subsequent amendment be added to and subjected to this Declaration shall be held, sold and conveyed subject to the following easements, restrictions, covenants and conditions which are for the purpose of protecting the value and desirability of and which shall run with the real property submitted to this Declaration and which shall be binding on all parties having any right, title or interest in the described properties or any part thereof, their heirs, successors, successors-in-title and assigns, and shall inure to the benefit of each owner thereof.

Article I

Definitions

Section 1. "Area of Common Responsibility" shall mean and refer to the Common Area, together with those areas and facilities, if any, which become the responsibility of the Association.

Section 2. "Association" shall mean and refer to Stagecoach Farms Association, Inc., a New Hampshire nonprofit corporation to be formed, its successors and assigns.

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Section 3. The "Board of Directors" or "Board" shall be the elected body having its normal meaning under New Hampshire corporate law.

Section 4. "Common Expenses" shall mean and include the actual and estimated expenses of operating the Association, including any reasonable reserve, all as may be found to be necessary and appropriate by the Board pursuant to this Declaration, the By-Laws and the Articles of Incorporation.

Section 5. "Common Land" shall mean that area designated as such on the Plan.

Section 6. "Development" shall mean and refer to the real property described in Exhibit "A" attached hereto and shall further refer to such additional property as may hereafter be annexed by amendment to this Declaration.

Section 7. "Member" shall mean and refer to a person or entity entitled to membership in the Association, as provided herein.

Section 8. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of any Residential Lot which is part of the Development, but excluding in all cases any party holding an interest merely as security for the performance of an obligation.

For the purposes of this Declaration, a newly constructed Residential Lot shall come into existence upon the issuance of a certificate of occupancy by the Town of Durham.

Section 9. "Person" means a natural person, a corporation, a partnership, trustee or other legal entity.

Section 10. "Residential Lot" or "Lot" shall mean any portion of the Development intended for any type of independent ownership for use and occupancy as a residence by a single household and shall, unless otherwise specified, include within its meaning (in way of illustration, but not limitation) the land associated therewith and known as a "lot", and more particularly those areas shown as "lots" on the plan.

Section 11. Lot Assessments. Lot assessments for common expenses provided for herein or by any supplementary Declaration shall be used for the purposes of promoting the recreation, health, safety, welfare, common benefit and enjoyment of the owners of the Residential Lots and of maintaining the common area, all as may be specifically authorized from time to time by the Board of Directors and as more particularly authorized below.

The unit assessment shall be levied equally against owners of Residential Lots for such purposes that are authorized by this Declaration or by the Board of Directors from time to time.

Article II

Property Rights

Every owner shall have exclusive rights to his lot and any improvements thereon subject to the terms of his deed, this Declaration, and any amendments thereto, and shall have undivided ownership of and a right and easement of enjoyment in and to the Common Area subject to any restrictions or limitations contained in any deed or amendment to this Declaration conveying to the Association or subjecting to this Declaration such property. Any owner may delegate his or her right of enjoyment to the members of his or her family, tenants and social invitees subject to reasonable regulation by the Board and in accordance with procedures it may adopt.

Article III

Membership and Voting Rights

Section 1. Membership. Every person or entity who is the record owner of a fee or undivided fee interest in any Residential Lot that is subject to this Declaration shall be deemed to have a membership in the Association. Membership shall be appurtenant to and may not be separated from such ownership. The foregoing is not intended to include persons who hold an interest merely as security for the performance of any obligation, and the giving of a security interest shall not terminate the owner's membership. No owner, whether one or more persons, shall have more than one membership per Residential Lot owned. In the event of multiple owners of a Residential Lot, votes and rights of use and enjoyment shall be as provided herein. The rights and privileges of membership, including the right to vote, may be exercised by a member or the member's spouse, but in no event shall there be more than one (1) vote cast for each Residential Lot.

Section 2. Voting. Members shall be entitled on all issues to one (1) vote for each Residential Lot in which they hold the interest required for membership by Section 1 hereof; there shall be only one (1) vote per unit. When more than one person holds such interest in any Residential Lot, the vote for such Residential Lot shall be exercised as those owners themselves determine and advise the Secretary of the Association prior to any meeting. In the absence of such advice, the Residential Lot's vote shall be suspended in the event more than one person seeks to exercise it.

Any owner of Residential Lots which are leased may, in the lease or other written instrument, assign the voting right appurtenant to that Residential Lot to the lessee, provided that a copy of such instrument is furnished to the Secretary prior to any meeting.

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Article IV

Maintenance

The Association shall maintain and keep in good repair the Common Area, such maintenance to be funded, as hereinafter provided. This maintenance shall include, but not be limited to, maintenance, repair and replacement, subject to any insurance then in effect, of all improvements such as water supply system, sewage system, septic system, structures, landscaping and other flora, as may be situated upon the Common Area or as may be described as an area of Common responsibility.

Article V

Insurance and Casualty Losses

Section 1. Insurance. The Association's Board of Directors or its duly authorized agent shall have the authority to and shall obtain insurance for all insurable improvements on the Common Area against loss or damage by fire or other hazards, including extended coverage, vandalism and malicious mischief. This insurance shall be in an amount sufficient to cover the full replacement cost of any repair or reconstruction in the event of damage or destruction from any such hazard. The Board shall also obtain a public liability policy covering the Common Area, the Association and its members for all damage or injury caused by the negligence of the Association or any of its members or agents, and, if reasonably available, directors' and officers' liability insurance. The public liability policy shall have at least a Five Hundred Thousand (\$500,000.00) Dollar per person limit, as respects bodily injury, a One Million (\$1,000,000.00) Dollar limit per occurrence and a Two Hundred Fifty Thousand (\$250,000.00) Dollar minimum property damage limit. Premiums for all insurance on the Common Area shall be common expenses of the Association. The policy may contain a reasonable deductible, and the amount thereof shall be added to the face amount of the policy in determining whether the insurance at least equals the full replacement cost.

Cost of insurance coverage obtained for the Common Area shall be included in the General Assessment, as defined in Article VIII, Section 1.

All such insurance coverage obtained by the Board of Directors shall be written in the name of the Association, as Trustee, for the respective benefitted parties, as further identified in (b) below. Such insurance shall be governed by the provisions hereinafter set forth:

(a) All policies shall be written with a company licensed to do business in New Hampshire and holding a rating of XI or better in the Financial Category as established by A. M. Best Company, Inc., if available, or, if not available, the most nearly equivalent rating.

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(b) All policies on the Common Area shall be for the benefit of the Residential Lot Owners and their mortgagees as their interests may appear.

(c) Exclusive authority to adjust losses under policies in force on the Property obtained by the Association shall be vested in the Association's Board of Directors; provided, however, that no mortgagee having an interest in such losses may be prohibited from participating in the settlement negotiations, if any, related thereto.

(d) In no event shall the insurance coverage obtained and maintained by the Association's Board of Directors hereunder be brought into contribution with the insurance purchased by individual owners, occupants or their mortgagees, and the insurance carried by the Association shall be primary.

(e) All casualty insurance policies shall have an agreed amount endorsement with an annual review by one or more qualified persons, at least one of whom must be in the real estate industry and familiar with construction in the Strafford County, New Hampshire area.

(f) The Association's Board of Directors shall be required to make every reasonable effort to secure insurance policies that will provide for the following:

(i) A waiver of subrogation by the insurer as to any claims against the Association's Board of Directors, its Manager, the owners and their respective tenants, servants, agents and guests;

(ii) A waiver by the insurer of its rights to repair and reconstruct instead of paying cash;

(iii) No policy may be cancelled, invalidated, or suspended on account of any one or more individual owners;

(iv) No policy may be cancelled, invalidated or suspended on account of the conduct of any director, officer or employee of the Association or its duly authorized Manager without prior demand in writing delivered to the Association to cure the defect and the allowance of a reasonable time thereafter within which the defect may be cured by the Association, its Manager, any owner or mortgagee; and

(v) Any "other insurance" clause in any policy exclude individual owners' policies from consideration.

Section 2. No Partition. There shall be no physical partition of the Common Area or any part thereof, nor shall any person acquiring any interest in the Property or any part thereof seek any such judicial partition until the happening of the conditions set forth in Section 4 of this Article in the case of damage or

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destruction, or unless the Development have been removed from the provisions of this Declaration. This Section shall not be construed to prohibit the Board of Directors from acquiring and disposing of tangible personal property nor from acquiring title to real property which may or may not be subject to this Declaration, nor shall it be construed to prevent the Board of Directors from utilizing portions of the common area for purposes other than shown on the original site plan, provided said uses are for the common good of the owners, examples of such further improvements being an additional septic leaching area, a swimming pool, a tennis court, an additional well and other such facilities.

Section 3. Disbursement of Proceeds. Proceeds of insurance policies shall be disbursed as follows:

(a) If the damage or destruction for which the proceeds are paid is to be repaired or reconstructed, the proceeds, or such portion thereof as may be required for such purpose, shall be disbursed in payment of such repairs or reconstruction, as hereinafter provided. Any proceeds remaining after defraying such costs of repairs or reconstruction to the Common Area, or in the event no repair or reconstruction is made after making such settlement as is necessary and appropriate with the affected owner or owners and their mortgagee(s), as their interests may appear, if any Residential Lot is involved, shall be retained by and for the benefit of the Association. This is a covenant for the benefit of any mortgagee of a Residential Lot and may be enforced by such mortgagee.

(b) If it is determined, as provided for in Section 4 of this Article, that the damage or destruction to the Common Area for which the proceeds are paid shall not be repaired or reconstructed, such proceeds shall be disbursed in the manner as provided for excess proceeds in Section 3(a) hereof.

Section 4. Damage and Destruction.

(a) Immediately after the damage or destruction by fire or other casualty to all or any part of the Property covered by insurance written in the name of the Association, the Board of Directors or its duly authorized agent shall proceed with the filing and adjustment of all claims arising under such insurance and obtain reliable and detailed estimates of the cost of repair or reconstruction of the damaged or destroyed property. Repair or reconstruction, as used in this paragraph, means repairing or restoring the property to substantially the same condition in which it existed prior to the fire or other casualty.

(b) Any damage or destruction to the Common Area shall be repaired or reconstructed unless at least seventy-five (75%) percent of the total vote of the Association shall decide within sixty (60) days after the casualty not to repair or reconstruct. If for any reason either the amount of the insurance proceeds to be paid as a result of such damage or destruction, or reliable and detailed

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estimates of the cost of repair or reconstruction, or both, are not made available to the Association within said period, then the period shall be extended until such information shall be made available; provided, however, that such extension shall not exceed sixty (60) days. No mortgagee shall have the right to participate in the determination of whether the Common Area damage or destruction shall be repaired or reconstructed.

(c) In the event that it should be determined by the Association in the manner described above that the damage or destruction of the Common Area shall not be repaired or reconstructed and no alternative improvements are authorized, then and in that event the property shall be restored to its natural state and maintained as an undeveloped portion of the Common Area by the Association in a neat and attractive condition.

Section 5. Repair and Reconstruction. If the damage or destruction for which the insurance proceeds are paid is to be repaired or reconstructed and such proceeds are not sufficient to defray the cost thereof, the Board of Directors shall, without the necessity of a vote of the Association's members, levy a special assessment against all owners in proportion to the number of Residential Lots owned by such owners. Additional assessments may be made in like manner at any time during or following the completion of any repair or reconstruction. If the funds available from insurance exceed the cost of repair, such excess shall be deposited to the benefit of the Association.

Article VI

Condemnation

Whenever all or any part of the Common Area shall be taken (or conveyed in lieu of and under threat of condemnation by the Board, acting on its behalf or on the written direction of all Owners of Residential Lots subject to the taking, if any) by any authority having the power of condemnation or eminent domain, each owner shall be entitled to notice thereof and to participate in the proceedings incident thereto, unless otherwise prohibited by law. The award made for such taking shall be payable to the Association, as Trustee for all owners, to be disbursed as follows:

If the taking involves a portion of the Common Area on which improvements have been constructed, then, unless within sixty (60) days after such taking the Declarant and at least seventy-five (75%) percent of the members of the Association shall otherwise agree, the Association shall restore or replace such improvements so taken on the remaining land included in the Common Area, to the extent lands are available therefore, in accordance with plans approved by the Board of Directors of the Association. If such improvements are to be repaired or restored, the above provisions in Article V hereof regarding the disbursement of funds in respect to casualty damage or destruction which is to be repaired shall apply. If the taking does

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not involve any improvements on the Common Area, or if there is a decision made not to repair or restore, or if there are net funds remaining after any such restoration or replacement is completed, then such award or net funds shall be disbursed to the Association and used for such purposes as the Board of Directors of the Association shall determine.

Article VII

Rights and Obligations of the Association

Section 1. The Common Area. The Association, subject to the rights of the owners set forth in the Declaration, shall be responsible for the exclusive management and control of the Common Area and all improvements thereon (including furnishings and equipment related thereto), and shall keep it in good, clean, attractive and sanitary condition, order and repair, pursuant to the terms and conditions hereof.

Section 2. Personal Property and Real Property for Common Use. The Association, through action of its Board of Directors, may acquire, hold and dispose of tangible and intangible personal property and real property. The Board, acting on behalf of the Association, shall accept any real or personal property, leasehold or other property interests within Stagecoach Farms conveyed to it by the Declarant.

Section 3. Rules and Regulations. The Association, through its Board of Directors, may make and enforce reasonable rules and regulations governing the use of the Development, which rules and regulations shall be consistent with the rights and duties established by this Declaration. Sanctions may include reasonable monetary fines and suspension of the right to vote and the right to use the Common Area. In addition, the Board shall have the power to seek relief in any court for violations or to abate unreasonable disturbances. Imposition of sanctions shall be as provided in the By-Laws.

Section 4. Implied Rights. The Association may exercise any other right or privilege given to it expressly by this Declaration or the By-Laws, and every other right or privilege reasonably to be implied from the existence of any right or privilege given to it herein or reasonably necessary to effectuate any such right or privilege.

Article VIII

Assessments

Section 1. Creation of General Assessment. There are hereby created assessments for Common Expenses as may be from time to time specifically authorized by the Board of Directors. General

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Assessments shall be allocated equally among all Residential Lots within the Association no matter the size of the dwelling on the lot and no matter the number of bedrooms in the dwelling and shall be for purposes determined by the Board to be for the benefit of the Association as a whole. Each owner, by acceptance of his or her deed, is deemed to covenant and agrees to pay these assessments. All such assessments, together with interest at a rate eighteen (18%) percent, costs and reasonable attorney's fees shall be a charge on the land.

Each such assessment, together with interest, costs and reasonable attorney's fees, shall also be the personal obligation of the person who was the owner of such Residential Lot at the time the assessment arose, and his or her grantee shall be jointly and severally liable for such portion thereof as may be due and payable at the time of conveyance, except no first mortgagee who obtains title to a Residential Lot pursuant to the remedies provided in the mortgage shall be liable for unpaid assessments which accrued prior to such acquisition of title.

Assessments shall be paid in such manner and on such dates as may be fixed by the Board of Directors which may include, without limitation, acceleration of the annual assessment for delinquents; unless the Board otherwise provides, the assessments shall be paid in monthly installments. It is the intention of this Declaration that assessments be collected by and be paid to the Association. Such a system shall prejudice neither the right for direct collection nor the lien rights set out in Section 4 of this Article.

The Association is specifically authorized and encouraged to seek public and private funds to help defray in whole or in part the expenses for which assessments would be necessary. To the extent received, such funds shall be used to reduce the assessments otherwise required by the budget in Section 2.

Section 2. Computation of Assessment. The Board shall prepare an annual budget, and the following provisions shall apply:

It shall be the duty of the Board at least thirty (30) days prior to the meeting at which the budget shall be presented to the membership to prepare a budget covering the estimated costs of operating the Association during the coming year. The budget shall include a capital contribution establishing a reserve fund, in accordance with a capital budget separately prepared, and shall separately list general and lot expenses, if any. The Board shall cause a copy of the budget, and the amount of the assessments to be levied against each Residential Lot for the following year, to be delivered to each owner at least fifteen (15) days prior to the meeting. The budget and the assessments shall become effective unless disapproved at the meeting by a vote of at least a majority of the total Association membership.

Notwithstanding the foregoing, however, in the event the membership disapproves the proposed budget or the Board fails for

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any reason so to determine the budget for the succeeding year, then and until such time as a budget shall have been determined, as provided herein, the budget in effect for the then current year shall continue for the succeeding year.

Section 3. Special Assessments. In addition to the assessments authorized in Section 1, the Association may levy a Special Assessment in any year. So long as the total assessments authorized under this Article do not exceed Five Hundred (\$500.00) Dollars in any one year, the Board, by majority vote, may impose the special assessment. If such total be exceeded, any special assessment shall be effective only with the approval of a majority of the members.

Section 4. Foreclosure Sales. The Association, acting on behalf of the owners, shall have the power to bid for the Residential Lot at foreclosure sale, and to acquire and hold, lease, mortgage and convey the same. During the period owned by the Association following foreclosure: (1) no right to vote shall be exercised on its behalf; (2) no assessment shall be assessed or levied on it; and (3) each other Residential Lot shall be charged, in addition to its usual assessment, its equal pro rata share of the assessment that would have been charged such Residential Lot had it not been acquired by the Association as a result of foreclosure.

Suit to recover a money judgment for unpaid common expenses, rent and attorney's fees shall be maintainable without foreclosing.

Section 5. Capital Budget and Contribution. The Board of Directors shall annually prepare a capital budget which shall take into account the number and nature of replaceable assets, the expected life of each asset, and the expected repair or replacement cost. The Board shall set the required capital contribution, if any, in an amount sufficient to permit meeting the projected capital needs of the Association, as shown on the capital budget, with respect both to amount and timing by annual assessments over the period of the budget. The capital contribution required shall be fixed by the Board and included within the budget and assessment, as provided in Section 2 of this Article. A copy of the capital budget shall be distributed to each member in the same manner as the operating budget.

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Article IX

Architectural Standards

All property which is now or may hereafter be subjected to this Declaration is subject to architectural and environmental review. This review shall be in accordance with this Article and such standards as may be promulgated by the Board, and the Architectural Review Committee. The Board of Directors shall have the authority and standing on behalf of the Association to enforce in courts of competent jurisdictions decisions of the Committee.

As a limitation on said standards, all buildings shall be of Colonial style, of wooden construction, with exterior wall surfaces of select grade pine, cedar, or mahogany clapboard or cedar shingle, or red brick. All roofing material shall be fire treated red cedar. No building shall exceed two and one-half stories in height, and there shall be no swimming pools, tennis courts or structures other than fences, lighting posts, mailboxes and signs located between the front of the dwelling and the street. There shall be no exterior television antennae, including dishes, visible from the street. There shall be no above ground swimming pools at any place on the lot. There shall be no commercial signs except for temporary signs showing that the property is "for sale", and contractor's signs erected at the discretion of the developer. The limitation on contractor signs shall expire three years from the date of the recording of these documents. After that, contractor signs shall be permitted provided they do not exceed two square feet per side in area. All contractor signs and real estate sales signs shall be removed upon completion of work or sale respectively.

No trailers, boats or unregistered motor vehicles shall be parked in the common area, or on any lot where visible from the street or an adjacent lot. No more than two motor vehicles may be kept ungaraged in any lot. No motor vehicles may be parked anywhere other than in the driveways and parking areas. This shall not be intended to prohibit the parking of vehicles on the grassed areas of an owners lot for periods of one or two hours in unusual circumstances.

Architectural Review Committee. The Architectural Review Committee shall have exclusive jurisdiction over all original siting of construction to include all grading, landscaping and other improvements to the lot, on any portion of the development. The Architectural Review Committee shall promulgate Architectural and Environmental Standards and Application Procedures. It shall make both available to owners, builders and developers who seek to engage in development of or construction upon all or any portion of the Development and shall conduct its operations in accordance therewith.

The Architectural Review Committee shall have the exclusive jurisdiction over modifications, additions, or alteration made on or to existing residential structures and auxiliary structures, and the open space appurtenant thereto.

The Architectural Review Committee shall promulgate detailed standards and procedures governing its area of responsibility and practice. In addition thereto, the following shall apply: plans and specifications showing the nature, kind, shape, color, size, materials and location of such modifications, additions or alterations, shall be submitted to the Architectural Review Committee for approval as to quality of workmanship and design and harmony of external design with existing structures and as to location in relation to surrounding structures, topography and finish grade elevation. Nothing contained herein shall be construed to limit the right of an owner to remodel the interior of his

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residence or to paint the interior of his residence any color desired. In the event the Architectural Review Committee fails to approve or to disapprove such plans or to request additional information reasonably required within forty-five (45) days after submission, the plans shall be deemed approved.

The Architectural Review Committee shall be initially appointed by the Declarant. It shall consist of at least three individuals, none of whom, initially, need be lot owners. Once ninety (90%) percent of the lots have been built upon, or earlier at the discretion of the Declarant, or at the expiration of five years from the date of the recording of this Declaration whichever comes first, this function shall be given over to the Homeowners Association which shall select the committee members from among its members, each committee member to have a three year term, the initial terms to be one, two and three years so that the terms are thereafter staggered.

The initial review by the Declarant shall be performed free of charge. The Committee may then set a reasonable fee for revisions to plans or modifications of the original building, which fee shall reflect the actual cost of such reviews.

The Architectural Review Committee may hold up to Twenty-Five Hundred (\$2,500.00) Dollars in escrow to ensure the completion of landscaping after the initiation of construction. If such landscaping is not completed to the satisfaction of the Architectural Review Committee within one year of the commencement of construction, said funds may be used by the Architectural Review Committee to contract for the completion of said landscaping.

Article X

Use Restrictions

The Development shall be used only for residential, recreational, and related purposes as may more particularly be set forth in this Declaration, or amendments thereto. The Association, acting through the Board of Directors, shall have standing and the power to enforce use restrictions contained in any such declaration as if such provision were a regulation of the Association. Lots #1 - #57 shall be restricted as to a total of four bedrooms each. This restriction is due to requirements by the New Hampshire Water Supply and Pollution Control Commission for on site sewage disposal and water supply. If said Commission lifts said limitation due to advances in technology or installation of public sewers, this use limitation may be removed by amendment of this document in accordance with the method stated herein.

The Common Area may be used only for water supply, sewage disposal and the construction of recreational facilities for the use of the owners, their lessees and guests. There shall be no motorized recreational vehicles used anywhere on the common area or the lots.

The one hundred foot (100') wide exterior buffer may be used only for passive recreational uses, such as hiking or cross country skiing. The vegetation existing thereon shall be maintained in order to provide a visual buffer to adjacent properties.

The area included within the protective radii of the common wells shall be further restricted as follows: for so long as the premises are used for a water supply system, the area of the radii shall be subject to the interests of water supply and the persons who are contemplated to be served by such supply. No use shall be made which directly or indirectly affects the quality or quantity of water in a detrimental manner. Examples of detrimental uses include: disposal of industrial or domestic waste water, disposal of solid waste, application or storage of fertilizer, pesticides or other hazardous chemicals and/or any other uses which would be detrimental as may be determined from time to time by the New Hampshire Water Supply and Pollution Control Division.

No building shall be constructed, no structures erected and no alterations made of the basic topography except insofar as may be required for water supply purposes and for access to the various structures and equipment required therefore.

Article XI

Mortgage Provisions

The following provisions apply to the Development, and none may be amended without the consent of at least two-thirds (2/3) of the first mortgagees:

Section 1. Consent of Lenders Required. Unless two-thirds (2/3) of the institutional holders of first mortgages within the Development have given their prior approval, the Association shall not be entitled to:

(a) By act or omission seek to abandon, alienate, release, partition, hypothecate, subdivide, encumber, sell or transfer any common area owned, directly or indirectly, by the Association for the benefit of the Residential; provided, however, the granting of easements for public utilities or for other public purposes consistent with the intended use of such Common Area shall not be deemed a transfer within the meaning of this clause.

(b) Change the method of determining the obligations, assessments, dues or other charges which may be levied against an owner;

(c) By act or omission change, waive or abandon the system of regulations and enforcement established in this Declaration for architectural design or the exterior appearance and maintenance of Residential Lots, and the maintenance of the Common Area in the Development; or

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(d) Use hazard insurance proceeds for losses to any Common Area for other than the repair, replacement or reconstruction of such Common Area.

Section 2. Payment of Taxes. First mortgagees of Residential Lots may, jointly or singly, pay taxes or other charges which are in default and which may or have become a charge against any Common Area and may pay overdue premiums on hazard insurance policies or secure new hazard insurance coverage on the lapse of a policy for such Common Area. First mortgagees making such payments shall be owed immediate reimbursement therefor from the Association.

Section 3. No Priority. No provision of this Declaration or the By-Laws gives or shall be construed as giving any owner or any other party priority over any rights of the first mortgagee of a Residential Lot pursuant to its mortgage in the case of distribution to such owner of insurance proceeds or condemnation awards for losses to or taking of Common Area.

Section 4. Notice to Mortgagee. Notwithstanding anything contained herein which might otherwise be construed to the contrary, a first mortgagee, upon request designating such unit, will be entitled to written notification from the Association of any default in the performance by any owner of a Residential Lot in which such mortgagee has an interest of any obligation under this Declaration, the By-Laws or the Articles of Incorporation which is not cured within sixty (60) days.

Section 5. Management Agreement Limitations. Notwithstanding anything contained herein which might otherwise be construed to the contrary, any agreement for professional management of the development, or any other agreement providing for services by the Declarant, may not exceed one (1) year and must provide for termination by either party without cause and without payment of a termination fee on thirty (30) days or fewer written notice.

Article XII

General Provisions

Section 1. Term. The covenants and restrictions of this Declaration shall run with and bind the Development, and shall insure to the benefit of and shall be enforceable by the Association or the owner of any property subject to this Declaration, their respective legal representatives, heirs, successors and assigns.

Section 2. Amendment. The Declaration may be amended only by the affirmative vote (in person or by proxy) or written consent of members representing a majority of the total voting power of the Association. Any amendment must be recorded at the Rockingham County Registry of Deeds. No amendment may remove, revoke or modify

any right or privilege of Declarant without the written consent of Declarant or the assignee of such right or privilege.

Section 3. Indemnification. The Association shall indemnify every officer and director against any and all expenses, including counsel fees, reasonably incurred by or imposed upon any officer or director in connection with any action, suit or other proceeding (including settlement of any suit or proceeding, if approved by the then Board of Directors) to which he or she may be a party by reason of being or having been an officer or director. The officers and directors shall not be liable for any mistake of judgment, negligent or otherwise, except for their own individual willful misfeasance, malfeasance, misconduct or bad faith. The officers and directors shall have no personal liability with respect to any contract or other commitment made by them, in good faith, on behalf of the Association (except to the extent that such officers or directors may also be members of the Association), and the Association shall indemnify and forever hold each such officer and director free and harmless against any and all liability to others on account of any such contract or commitment. Any right to indemnification provided for herein shall not be exclusive of any other rights to which any officer or director, or former officer or director, may be entitled. The Association shall, as a common expense, maintain adequate general liability and officers' and directors' liability insurance to fund this obligation.

Section 4. Delegation of Use. Any owner may delegate, in accordance with the By-Laws of the Association, his or her right of enjoyment to the Common Area and facilities to the members of his or her family, tenants and social invitees.

Section 5. Owner's Right to Ingress, Egress and Support. Each owner shall have the right to ingress and egress over, upon and across the Common Area necessary for access to his or her Residential Lot and shall have the right to lateral support for his or her Residential Lot, and such rights shall be appurtenant to and pass with the title to each Residential Lot.

Section 6. Easements for Utilities, Etc. There is hereby reserved the power to grant blanket easements upon, across, over and under all of the property for ingress, egress, installation, replacing, repairing and maintaining master television antenna systems, security and similar systems and all utilities, including, but not limited to, water, sewers, telephones and electricity. The Board shall, upon written request, grant such easements as may be reasonably necessary for the development of any property contained in Exhibit "B". By virtue of any such easement, it shall be expressly permissible for the providing utility company or other supplier or servicer to erect and maintain the necessary poles and other equipment on said property and to affix and maintain utility wires, circuits and conduits on, above, across and under the roofs and exterior walls of the Residences. Notwithstanding anything to the contrary contained in this paragraph, no sewers, electrical lines, water lines or other utilities may be installed or relocated

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on said property, except as may be approved by the Association's Board of Directors or as provided in the development and sale by Declarant. Should any entity furnishing a service covered by the general easement herein provided request a specific easement by separate recordable document, the Board of Directors shall have the right to grant such easement on said property without conflicting with the terms hereof. The easements provided for in this Article shall in no way adversely affect any other recorded easement on the Development. The Board shall have, by two-thirds (2/3) vote, the power to dedicate all or part of the Common Area to the Town of Durham.

Section 7. Pets. No animals, livestock or poultry of any kind shall be raised, bred or kept on the Development, except that no more than a total of two (2) normal household pets may be kept in any Residential Lot, subject to rules and regulations adopted by the Association through its Board of Directors, provided that such pets are not kept, bred or maintained for any commercial purpose.

Section 8. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provisions which shall remain in full force and effect.

Section 9. Renting or Leasing of Residential Lots. Lots may be rented or leased only by written leases and subject to the following restrictions:

Lessee to Comply With Declaration and By-Laws -- Effect of Non-Compliance. All tenants shall be subject to the terms and conditions of this Declaration, the By-Laws, the Articles of Incorporation and the rules and regulations promulgated thereunder as though such tenant were an owner.

Each owner agrees to cause his lessee, occupant or persons living with such owner or with his lessee to comply with the Declaration, By-Laws and the rules and regulations promulgated thereunder, and is responsible and liable for all violations and losses caused by such tenants or occupants, notwithstanding the fact that such occupants of the unit are fully liable for any violation of the documents and regulations; failure to comply shall be, at the Board's option, considered a default in the lease.

In the event that a lessee, occupant or person living with the lessee violates a provision of the Declaration, By-Laws or rules and regulations adopted pursuant thereto, the Board shall have the power to bring an action or suit against the lessee to recover sums due for damages or injunctive relief, or for any other remedy available at law or equity, including, but not limited to, all remedies available to a landlord upon the breach or default of the lease agreement by the lessee.

The Board shall also have the power to impose reasonable fines upon the lessee for any violation by the lessee, occupant or person

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living with the lessee of any duty imposed under the Declaration, By-Laws or rules and regulations adopted pursuant thereto, and to suspend the right of the lessee, occupant or person living with the lessee to use the Common Area. The Board shall have authority and standing to enforce any lease restrictions contained in or promulgated in accordance with any recorded instrument creating any residential association within Stagecoach Farms.

IN WITNESS WHEREOF, the undersigned Declarant has executed this Declaration this 18th day of August, 1988.

FARRELL, MARTIN & PULITZER PARTNERSHIP
A New Hampshire Partnership

By: Frederick D. Pulitzer
Frederick D. Pulitzer, Partner
Duly Authorized

EX 140460586

STAGECOACH FARMS

BY-LAWS

THESE BY-LAWS dated this 18th day of August, 1988, executed by FARRELL, MARTIN & PULITZER PARTNERSHIP of Stratham, Rockingham County, New Hampshire, (hereinafter called, together with their successors in interest as developer of the condominium, the "Developer"), who is the "Declarant" under the Declaration of even date herewith and to be recorded simultaneously herewith in the Strafford County Registry of Deeds (hereinafter called the "Declaration"). These By-Laws shall apply to the STAGECOACH FARMS DEVELOPMENT as described and created by the Declaration and to all present and future owners, tenants and occupants of any lots in the development and to all other persons who shall at any time use the development or any portion thereof. The mere acquisition or rental of any lot or the mere act of occupancy of any lot will signify that these By-Laws are accepted, ratified and will be complied with. These By-Laws shall run with the land and with each unit comprising the development and shall be binding thereon.

ARTICLE I

INTRODUCTORY PROVISIONS

1. Definitions. The terms used herein shall have the same meaning as given to them in the New Hampshire Revised Statutes Annotated, except as expressly otherwise provided herein, or the application of such meaning would be contrary to the clear intent of the statement. The term "common areas" means those areas designated in the Declaration as common areas. The term "development" shall include all lots and common areas, including all improvements within the common areas and all easements, rights and appurtenances belonging thereto and all other property intended for use in connection therewith. The term "rules and regulations" refers to the rules and regulations for the conduct of the occupants of the development, adopted by the Association as hereafter provided. The term "owner" means a person owning severally or as a co-tenant a lot and the common interest appurtenant thereto.

2. Conflicts. These By-Laws are intended to comply with the requirements of New Hampshire Revised Statutes Annotated.

ARTICLE II

ASSOCIATION OF LOT OWNERS

1. Membership. The government of the development shall be vested in its Association. All owners of lots in the development shall constitute the Association. The owner of any lot upon acquiring title thereto shall automatically become a member of the

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Association and shall remain a member thereof until such time as his or her ownership of the lot ceases for any reason. The Association will keep an accurate and current list of Association members and their current addresses, and said list will be maintained at a place designed by the Association. The Association may be incorporated as a New Hampshire voluntary corporation and these By-Laws shall serve as the By-Laws of said corporation.

2. Voting. Each lot shall be entitled to one vote. Votes may be cast in person or by proxy by the respective lot owners. If any vote is to be cast by an executor, administrator, guardian or trustee for a lot owner, there shall be filed with the Chairman of the meeting prior to the taking of said vote satisfactory evidence that the person seeking to cast the vote is the record owner of the lot or is otherwise duly authorized. If a lot owner is more than one person, the vote may be cast by any one of them present or represented by proxy at the meeting in the absence of protest (which is made at the time of or prior to the vote being cast) by the other or others. If a lot owner is a corporation or an entity other than a natural person, the vote for that lot may be cast by any natural person having authority to execute deeds on behalf of the lot owner, and in the absence of protest by any other person, said authority may be presumed by the secretary or chairman of the meeting at which the vote will be cast.

3. Proxies. A proxy in each case will be subject to the following requirements:

A. It must be dated;

B. The signature of the person granting the proxy must be acknowledged before a Notary Public or Justice of the Peace;

C. It will terminate automatically upon the adjournment of the first meeting held on or after the date of the proxy;

D. It will not be revocable except by actual notice of revocation to the person presiding over the meeting.

4. Quorum. The presence in person or by proxy (at the commencement of any meeting of the Association of Lot Owners) of THIRTY-FIVE (35) lot owners shall constitute a quorum at all meetings of the lot owners. In determining a quorum, the term "all lot owners" in this paragraph will not include lots the title of which is held by the Association.

5. Majority Vote. The concurring vote of a majority of the lots voting shall be required.

6. Place of Meetings. The meetings of the Association shall be held at such suitable place convenient to the lot owners as may be designated by any Officer of the Association.

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7. Annual Meetings. The first annual meeting of the Association will be held within one (1) years of the formation of the Association. Thereafter, the annual meetings of the Association will be held on the third Wednesday of June of each year, or on such other date as may be set by the Association. At each annual meeting the Association Officers will be elected.

8. Regular Meetings. In addition to the annual meetings, the Officers may by resolution establish regular meetings of the Association at regular intervals more frequently than annually.

9. Special Meetings. Special meetings of the Association may be held at any time upon the call of any Officer.

10. Notice of Meetings and Other Notices. The President or Treasurer of the Association will give written notice of all meetings of the Association, by United States Mail (Return Receipt Requested, if required by law) to all lot owners of record at the address of their respective lots or to such other addresses as any of them may have designated in writing to the President or Treasurer. In the case of each annual meeting or other regularly scheduled meeting, said notice shall be mailed at least twenty-one (21) days prior to the meeting. In the case of any special meeting, said notice shall be mailed not less than seven (7) days prior to the meeting. Each notice will set forth the time, place and purpose of the meeting. Upon notice being given in accordance with the provisions hereof, the failure of any owner of a lot to receive actual notice of any meeting shall not in any way invalidate the meeting or proceedings thereof. Any lot owner may waive any notice as to him or her.

11. Adjournment of Meetings. If any meeting of the Association cannot be held because a quorum has not attended, a majority of the votes of the lot owners who are present at such meeting, either in person or by proxy, may adjourn the meeting to a time not less than forty-eight (48) hours from the time the original meeting was called.

12. Order of Business. The order of business at all meetings of the Association shall be as follows:

- A. Roll call;
- B. Notice of meeting;
- C. Reading of minutes of preceding meeting;
- D. Reports of Officers;
- E. Reports of committees;
- F. Election of Officers (when so required);
- G. Unfinished business;
- H. New business.

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ARTICLE III

POWERS

1. Powers and Duties. The Association will have all of the powers and duties necessary for the administration of the affairs of the development. Said powers and duties shall include, but not be limited to, the following:

A. Operation, care, upkeep and maintenance of the common areas;

B. The employment, dismissal and replacement of agents and employees to facilitate the operation, care, upkeep and maintenance of the common areas;

C. To make or cause to be made additional improvements on and as part of the common areas (subject to Article VI, Section 2 below);

D. To acquire, hold, manage, convey and encumber title to real property (including but not limited to development lots conveyed to or acquired by the Association) in the name of and on behalf of the Association;

E. To grant easements through the common areas and to accept easements benefiting the development or any portion thereof;

F. The assessment and collection of the common expenses from the lot owners, and the enforcement of liens to secure unpaid assessments;

G. The adoption and amendment of rules and regulations covering the details of the operation and use of the development, the common areas or any portion thereof;

H. The general regulations of use and operations of parking areas;

I. Opening of bank accounts on behalf of the Association and designating the signatories required therefor;

J. Obtaining and administering insurance for the development as set forth in the Declaration;

K. Repairing, restoring or replacing common areas after damage or destruction by fire or other casualty, or as a result of eminent domain proceedings, as provided in the By-Laws;

EX 1404 PG 0590

L. Procuring legal and accounting services necessary or proper in the operation of the development or the enforcement of these By-Laws;

M. The assessment of costs or damages against any lot owner whose actions have proximately caused damages to the common areas;

N. Payment of any amount necessary to discharge any lien or encumbrance levied against the entire development or any part thereof which may in the opinion of the Association constitute a lien against the development or against the common areas, rather than merely against the interests of particular lot owners (where one or more owners are responsible for the existence of such lien, they shall be jointly and severally liable for the cost of discharging it and the costs incurred by the Association by reason of said lien or liens;

O. The management of all personal property of the Association and provision for trash removal at the lots;

P. All other powers granted by the Declaration or these By-Laws, permitted by law or enjoyed by associations of this kind.

2. Managing Agent. The Association may, in its discretion, employ, as a common expense of the development, a managing agent to assist it in managing the affairs of the development. The Association can delegate to said agent the authority to perform any of the functions or exercise any of the powers set forth in subparagraphs A through P in the preceding paragraph 1. The Association in its discretion, may limit any of the powers granted to the managing agent or grant additional powers to the managing agent to the extent permitted by law.

ARTICLE IV

BOARD OF DIRECTORS AND OFFICERS

1. Designation. The principal Officers of the Association will be at a minimum a President, a Secretary and Treasurer, who shall be elected by the Association and also shall not be owners of the same lots. The Association may appoint any other Officer or Officers which in its judgment shall deem necessary or desirable and shall be lot owners.

2. Board of Directors. The members may vote to establish a Board of Directors which shall consist of the President, Secretary, and Treasurer and two other lot owners. All of the members of the Board of Directors shall represent different lots.

3. Selection and Removal. Each Officer (and Director if so voted) will be appointed by the Association to serve at the pleasure of the Association, and may be removed at any time by the Association, with or without cause.

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4. Powers. The President shall serve as the chief executive Officer of the Association and shall preside at all meetings of the Association. The Treasurer shall maintain and keep the financial books and records of accounts of the Association, prepare regular reports thereof and be responsible for the deposit and custody of the Association's funds and securities. The Treasurer shall keep the minutes of the Association and will give all notices of all meetings as provided by these By-Laws. Notwithstanding the foregoing, the Association may, in its discretion, delegate powers to, or limit the powers of, any of the Officers.

The Board of Directors shall be delegated those powers deemed appropriate by the Association from time to time, provided such delegation does not conflict with the provisions of New Hampshire law or the Declaration or Bylaws.

5. Execution of Instruments. All checks, drafts, notes, deeds, acceptances, conveyances, contracts or other instruments shall be signed on behalf of the Association by such person or persons as shall be provided by general or special resolution of the Association or, in the absence of any such resolution applicable to such instrument, by the President and by the Treasurer.

ARTICLE V

INTERIM MANAGEMENT BY DEVELOPER

From and after the date of the recording of these By-Laws, the Developer will exercise all powers and responsibilities assigned by these By-Laws and the Declaration to the Association and the Officers until such time as he turns over said powers and responsibilities to the Lot Owners. Said transfer of said powers and responsibilities shall in no event occur later than the first to occur of (1) the time at which the developer has completed the passing of title to third party purchasers of lots to which are assigned a total of 75% of the undivided interest in the common areas, or (2) the expiration of two years from the date of the incorporation of the Association. No contract binding the Association of Lot Owners, or the lot owners as a group, which shall have been entered into during the period of Declarant's control as described in this Article shall be binding after the termination of the Declarant's control unless ratified or renewed with the consent or affirmative vote of lot owners of a majority of the lots in the Association of Lot Owners.

ARTICLE VI

COMMON EXPENSES

1. Common Expenses. The Owner of each lot shall be liable for and shall pay as and when assessed an equal share of common expenses

in proportion to his or her common interest (i.e. the undivided interest in the common areas as set forth in Exhibit "B" to the Declaration). This provision shall apply as to any unsold lots remaining in its possession for amounts relating to completed roadways or other substantially completed improvements. Common expenses will include all charges, costs and expenses of every kind incurred by or on behalf of the Association for and in connection with the administration of the development, including without limitation all charges for taxes (except real property taxes or other such taxes which are or may hereafter be assessed separately on each lot and the common interest appurtenant thereto or the personal property or any other interest of a lot owner) assessments, insurance, liability for loss or damage arising out of or in connection with the common areas or any fire, accident or nuisance thereon, the cost of repair, reinstatement, rebuilding and replacement of facilities in the common areas, yard, maintenance, trash disposal and similar services, wages, accounting and legal fees, management fees and all other necessary expenses of upkeep, maintenance, management and operation incurred on or for the common areas, and the cost of all water and utility services to the common areas. The common expenses may also include such amount as the Association may deem proper to make up any deficit in the reserve. Common expenses will also include all common expense assessments against all lots, title to which is held by the Association.

2. Capital Improvements. Whenever in the judgment of the Association the common areas should be improved by new construction or alteration of existing facilities, any such additions, alterations or new construction may be made by the Association only after obtaining approval of ninety (90%) percent of the lots. If such approval is so obtained, the cost thereof shall constitute a part of the common expenses.

3. Reserves. The Association shall assess as a common expense an amount or amounts on a monthly basis for the purpose of establishing and maintaining a general operating reserve and general replacement reserve, against anticipated future outlays for operations or for maintenance or replacement of facilities within the common areas or equipment or other property held by the Association in connection with the development. The size of any such reserve shall be reviewed at each annual meeting of the Association. The funds will be deposited in a responsible bank and may be intermingled with the Association's general operating account, or segregated in a separate account, in the Association's discretion.

Any such reserve may be used at the discretion of the Association to meet any deficiencies in operating funds from time to time resulting from higher than expected operating expenses and maintenance costs, or any delinquency by any lot owner or owners in the payment of assessment for common expenses. Said reserve shall not operate to exempt any owner from liability to contribute his or her proportionate share of such expenses or to pay any such assessments thereof and any funds withdrawn from said reserve for the purpose of making up any delinquency shall be reimbursed upon the payment of such delinquent assessments. The proportionate

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interest of each owner in said reserve shall not be withdrawn or assigned separately but shall be deemed to be transferred with each lot even though not mentioned or described expressly in the instrument of transfer.

4. Expenses for Limited Common Areas. Common expenses relating to the limited common areas shall be charged to lot owners as provided in paragraph 6 of the Declaration.

5. Books. The Association will maintain books of account for common expenses for the common areas, general operating reserves and replacement reserves, in accordance with generally recognized accounting practices, and will have such books of account available for inspection by each owner or his authorized representative at reasonable business hours. The Association will not less frequently than annually render or cause to be rendered a statement to each owner of all receipts and disbursements during the preceding year and the balances of the various accounts.

6. Enforcement. The Association shall have a lien on every lot for unpaid assessments of common expenses levied against the lot, which may be applicable to said lot.

Each periodic assessment and each special assessment shall be separate, distinct and personal debts and obligations of the Lot Owner against whom the same are assessed. If a lot owner shall fail to pay his assessment when due, then he shall pay an additional assessment of \$10.00 for each such failure, and all delinquent assessments shall bear interest at the rate of 1 1/2% per month from the assessment due date.

7. Assessments. The Association shall determine the amounts and frequency of assessments for common expenses. In determining the amount, the Association shall in its discretion set a figure for a reasonable prospective period (up to one year) sufficient to accumulate and pay when due the anticipated common expenses for that period. In determining the frequency of the payments, the Association has full discretion to levy the assessments on a monthly, quarterly, semi-annual or annual basis. If at the end of any assessment period it is determined that the assessments were estimated too low, the deficiency may be forthwith assessed by the Association and paid by the lot owners as a special assessment or assessments.

8. Statement of Expenses. Any lot owner or purchaser of a lot having executed a contract for the sale or purchase of the lot shall be entitled upon request to a recordable statement setting forth the amount of unpaid assessments currently levied against that lot. Said request shall be in writing, directed to the President of the Association. Such statement will be issued within ten (10) business days from the receipt of said request, and failure to do so may result in the lien for unpaid assessments being extinguished. Said statement once issued shall be binding upon the Association, and every other lot owner. The Association may establish a fee to be

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charged to the lot owner in consideration of issuing said statement, which fee shall not exceed \$10.00 for each request, unless a higher amount is permitted by law.

ARTICLE VII

GENERAL PROVISIONS

1. Abatement of Violations. The violation of any rule or regulation adopted by the Association, the breach of any By-Law contained herein, or the breach of any provision in the Declaration shall give the Association the right, in addition to any other rights set forth in these By-Laws or in the Declaration:

A. To enter the lot on which, or as to which, the violation or breach exists and to summarily abate and remove, at the expense of the defaulting lot owner any structure, thing or condition that may exist therein contrary to the intent and meaning of the provisions hereof, and the Association and its agents (including but not limited to the Officers of the Association and the managing agent, if any) shall not thereby be deemed guilty in any manner of trespass;

B. To enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such breach and all costs thereof, including attorney's fees, shall be borne by the defaulting lot owner.

2. Waiver. The failure of the Association to insist in any one or more instances upon strict performance of or compliance with any of the covenants of the owner hereunder, or to exercise any right or option herein contained or to serve any notice, or to institute any action or summary proceeding, shall not be construed as a waiver or a relinquishment for the future, of such covenant or option or right, but such covenant or option or right shall continue and remain in full force and effect.

3. Notices. All notices to lot owners shall be deemed given if hand delivered or sent by Registered or Certified Mail, Return Receipt Requested, to the owner, addressed to the owner's address appearing on the records of the Association. Any notice given or mailed to one co-owner shall be presumed to have been properly given to any other co-owner, regardless of whether a separate notice was given or sent to said other co-owner.

4. Amendment. These By-Laws may be amended at any time upon compliance with the requirements of the New Hampshire statutes, as amended from time to time.

5. FHLMC/FNMA Compliance. Reference is made to the terms and conditions of Section 18 of the Declaration, concerning FNMA/FHLMC Compliance. In addition, the following provision shall apply

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notwithstanding any other provision of these By-Laws: First mortgagee, upon request to the Association, will be entitled:

A. To written notification from the Association of any default by its borrower who is an owner of a lot with respect to any obligation of such borrower under the Declaration or the By-Laws which is not cured within sixty (60) days;

B. To inspect the books and records of the Association during normal business hours;

C. To receive an audited annual financial statement of the Association within ninety (90) days following the end of any fiscal year of the Association;

D. To written notice of all meetings of the Association and to be permitted to designate a representative to attend all such meetings;

E. To prompt written notification from the Association of any damage by fire or other casualty to the lot or building thereon upon which the first mortgagee holds a first mortgage or proposed taking by condemnation or eminent domain of said lot or the common areas and facilities of the development.

The Association shall make no agreement for professional management of the development with the Declarant, which exceeds a term of three years, and any such agreement shall provide for termination by either party without cause and without payment of a termination fee on not more than ninety (90) days' written notice.

The Declarant intends that the provisions of this Section 5 comply with the requirements of the Federal Home Loan Mortgage Corporation and Federal National Mortgage Association with respect to development mortgage loans and all questions with respect thereto shall be resolved consistent with that intention.

6. Notices to Prospective Purchasers of Lots. In the event of any resale of a development lot or any interest therein by any person (other than the developer of the project or his successors in interest) the prospective lot owner shall have the right to obtain from the Association, prior to the contract date of the disposition, the following:

A. A statement of any capital expenditures and major maintenance expenditures anticipated by the Association within the current or succeeding two fiscal years;

B. A statement of the status and amount of any reserve for the major maintenance or replacement fund, and any portion of such fund earmarked for any specified project by the Association;

BK 1404 PG 0596

C. A copy of the income statement and balance sheet of the Association for the last fiscal year for which such statement is available;

D. A statement of the status of any pending suits or judgments in which the Association is a defendant;

E. A statement setting forth what insurance coverage is provided for all lot owners by the Association and what additional insurance coverage would normally be secured by each individual Lot Owner;

F. A statement that any improvements or alterations made to the lot or the limited common areas assigned thereto by the prior lot owner are not known to be in violation of the development instruments.

The President of the Association or any other Officer of the Association shall furnish such statements upon written request of any prospective lot owner within ten (10) days of the receipt of such request.

Executed as of the day and year first above written.

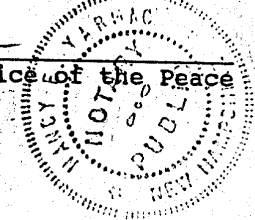
Nancy E. Yarmac
Witness Nancy E. Yarmac

BY: Frederick D. Pulitzer
Frederick D. Pulitzer
duly authorized General Partner

STATE OF NEW HAMPSHIRE
Rockingham, ss.

Frederick D. Pulitzer
Personally appeared before me this 18th day of August, 1988, known to me (or satisfactorily proven) to be the person described in the foregoing instrument and acknowledged that he executed the same in the capacity stated and for the purposes therein contained.

Nancy E. Yarmac
Notary Public/Justice of the Peace



BK 1404 PG 0597

EXHIBIT A

Four certain parcels of land situated in Durham, in the County of Strafford, and the State of New Hampshire on Stagecoach Road, so-called, and bounded and described as follows:

PARCEL 1: A certain tract of land, with the buildings thereon, situated in Durham, County of Strafford, State of New Hampshire, containing one hundred (100) acres, more or less, bounded and described as follows:

Commencing on the highway leading from the dwelling house formerly of Michael Ross to Durham Point at the Southeast corner of land formerly of Desire Labonte, now Walker; thence Northerly and bounded Westerly by said Labonte's land, now Walker, to land formerly of Charles H. Ellison, now Boucher, to a corner; thence North and bounded West by said Ellison, now Boucher, to land formerly of Andrew Grochmal, now Bedard; thence East and bounded North by said Grochmal, now Bedard, to land formerly of Michael Ross, now Malek; thence South and bounded East by land of said Ross, now Malek, to land formerly of Joseph Ogden, now Byron; thence West and bounded South by said Ogden to a corner; thence South and bounded East by said Ogden, now Byron, to said highway; thence West and bounded South by said highway to the point of beginning.

PARCEL 2. Also, one other tract of land in said Durham, containing five (5) acres, bounded South by said highway; West, North and East by land now or formerly of Ogden, now Byron.

PARCEL 3. Also, a certain tract or parcel of land, with the buildings thereon situate in Durham, Strafford County, and State of New Hampshire, and bounded and described as follows:

Northerly by land now or formerly of Ogden; Easterly and Westerly by land now or formerly of William Meader; and Southerly by the old Durham Point Road at the top of Cheswell Hill containing three-fourths (3/4ths) of an acre, more or less.

Together with and including a right of Way from the Stage Road so-called, to the above described premises.

PARCEL 4. A certain tract of land, with the buildings thereon situate in the Town of Durham, County of Strafford, State of New Hampshire, described as follows:

Beginning at the southwesterly corner of the premises herein conveyed at a point on the Northerly sideline of Stagecoach Road, so-called, said point being a distance of five hundred (500) feet, more or less, from the point where Middle Road, so-called, intersects with the Southerly sideline of said Stagecoach Road; thence running in a general Northerly direction along land of Douglas Ross two thousand one hundred (2,100) feet, more or less, to a point; thence turning and running along land of said Ross in a general Northeasterly direction eight hundred (800) feet, more or less, to a point; thence turning and running in a general Southerly direction along land of one Malek one thousand eight hundred (1,800) feet, more or less, to a point on said Stagecoach Road at the Southwesterly corner of land of said Malek; thence turning and running in a general Northwesterly direction along said Stagecoach Road six hundred (600) feet, more or less, to the point of beginning.

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EXHIBIT A - PAGE TWO

The second above described parcel is located on the Northerly side of said Stagecoach Road opposite, but with less road frontage than Parcel 1, above described, which is on the Southerly side of said road. Both parcels contain a total of seventy (70) acres, more or less.

Excepting and reserving the land and buildings shown as Lot 1 on a Plan of Land entitled "Subdivision of Land in Durham, N.H. for Douglas G. & Gwendolyn Ross, Stagecoach Road, Durham, N.H." and recorded in the Strafford County Registry of Deeds at Book 30-126.

G. Douglas Ross and Gwendolyn Ross hereby reserve to themselves, the survivor of them, his or her heirs, executors, administrators or assigns, the same rights of use as are to be established in the common or public lands to be designated and set aside in connection with the subdivision of the described premises, and shall be entitled to receive an appropriate deed in confirmation thereof for recording purposes when such rights are established.

Being a portion of the premises conveyed to Farrell, Martin & Pulitzer Partnership by deed of G. Douglas Ross and Gwendolyn Ross dated December 23, 1986 and recorded in the Rockingham County Registry of Deeds at Book 1281, Page 0146.

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EXHIBIT B

Lots #1-43, 45-48, 50-55, and 57 shall each have an equal 1/54th (1.85%) undivided interest in the common land.

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REGISTER OF DEEDS
STRAFFORD COUNTY