

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

**HALE'S LOCATION OWNERS ASSOCIATION  
2011  
COVENANTS, BYLAWS & ARC REGULATIONS**

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Covenants  
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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 25<sup>th</sup> 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 initially having potentially 80 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 being 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 eighty (80) guest rooms, a restaurant with a capacity of one hundred and thirty (130) people, a lounge and bar with a capacity of fifty (50) people and a ballroom/function room with a capacity of one hundred and twenty (120) 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 establish 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.4Initially, 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 eighty (80) Home Lots, provided that the provisions of Section V.10 shall govern until such time as the Hotel shall have been open to the public for two (2) years. Thereafter, the total number of assessing units shall be the sum of 80 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 and the Hotel subject to the lien for all unpaid assessments made against previous owners thereof, except that a first mortgagee or other purchaser at the foreclosure sale of a first mortgage lien or at a sale in lieu of such foreclosure and a purchaser from a first mortgagee who purchases at such a foreclosure sale or such a sale in lieu of foreclosure, shall not be liable for payment of assessments unpaid and due as of the time of his acquisition but shall be liable for assessments becoming due thereafter.

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 No Assessment of any nature shall be due and owing from the Hotel Owner and/or owners or mortgagees of the Hotel property until the Hotel is opened to the public for business prorated for partial years based on a July 1-June 30 fiscal year. For a period of two (2) years after the opening of the Hotel to the public, the Hotel will pay either (i) greens fees per hotel guests using the golf course per guest as reasonably established by the Association or (ii) 40% of the actual costs and expenses of golf course maintenance whichever is less. Following the expiration of said two (2) year period, the owner and/or owners of the Hotel will pay an amount equal to the share of 80 Home Lots prorated for partial years. For purposes of this provision, the Hotel should not be deemed opened and complete until it is open to the general public as a full service hotel.

## 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.

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.

AMENDMENT TO 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  
PAGE 19, ARTICLE X.2a

Declaration

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Hales Location

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, it 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 pay 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

XVI.1 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.

CERTIFICATION

I, the undersigned, do hereby certify:

That I am the duly elected and acting Secretary of Hales Location Owners Association, a New Hampshire corporation, and,

That the foregoing Declaration constitutes the Amended Declaration of said Association, as duly adopted at a meeting of the Board of Directors thereof, held on the 19<sup>th</sup> day of January, 2011.

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



---

Mark L. Winters - Secretary

**HALE'S LOCATION OWNERS ASSOCIATION  
REGISTERED BYLAWS  
2011**

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BY-LAWS  
OF  
HALES LOCATION OWNERS ASSOCIATION

ARTICLE I

NAME AND LOCATION

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

ARTICLE II

DEFINITIONS

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

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

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

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

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

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

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

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

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

### ARTICLE III

#### MEETING OF MEMBERS

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

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

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

Section 4: QUORUM: The presence at the meeting of members entitled to cast, or of proxies entitled to cast, one-tenth (1/10<sup>th</sup>) of the votes of the membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these By-Laws. If, however, such quorum shall not be present or represented at any meeting, the members entitled to vote thereat shall have power to

to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

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

#### ARTICLE IV

#### BOARD OF DIRECTORS

#### NOMINATION, SELECTION AND TERM OF OFFICE

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

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

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

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

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

Section 5: ACTION TAKEN WITHOUT A MEETING: The directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the directors. Any action so approved shall have the same effect as though taken at a meeting of the Directors.

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

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

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

- a. **The Architectural Review Committee** shall be governed by the provisions of the Design Review Process, Exhibit F of the Declaration of Covenants, Restrictions and Easements.
- b. **The Fact-Finding Committee** shall serve in an advisory role to the Board on the informational, economic, tax and other external issues that may impact the Association.
- c. **The Golf Committee** shall assist the Golf Professional and the Hales Location Manager in maximizing the economic and recreational potential of the golf course and recommending future improvements.
- d. **The Finance Committee** shall assist the Board on the financial well being of the Association and serve in an oversight capacity for the Board on financial issues. The Committee shall assist the Treasurer in preparing the annual budget and assist in defining capital budget issues.

- e. **The Covenants Committee** shall assist the Board to ensure that the Association's Covenants and by-laws continue to protect our mutual interests and doing so, improve the collective lifestyle of the community.
- f. **The Grounds & Maintenance Committee** shall assist Hales Location Manager in defining and assessing the maintenance needs, priorities and costs of the Association's real property.
- g. **The Social Committee** shall support the Association's community role with social opportunities that build and reinforce membership relations.

The Board of Directors may remove any standing committee chairperson for cause. In the event of death, resignation or removal by the Board, the successor chairperson shall be named by the Board of Directors in a timely manner.

#### ARTICLE V

##### MEETINGS OF DIRECTORS

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

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

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

#### ARTICLE VI

##### POWERS AND DUTIES OF THE BOARD OF DIRECTORS

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

- a. Adopt by a vote of at least four (4) directors and publish reasonable nondiscriminatory rules and regulations governing the use of the Association Land and facilities thereon:

- b. Suspend the voting rights and right to use of the golf course of a member during any period in which such member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notification and hearing, for a period not to exceed sixty (60) days for infraction of duly adopted rules and regulations; providing that suspension after notice and hearing of infraction of published rules and regulations may be made only by a two-thirds (2/3) vote;
- c. Exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these By-Laws, the Articles of Incorporation, or the Declaration;
- d. Declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors without cause;
- e. Employ a manager, an independent contractor, or such other employee as they deem necessary, and to prescribe their duties;
- f. Determine the annual budget and expenses of the Association and determine the amount of annual assessments for which provision is made in Article V of the Declaration; and
- g. To accept, on behalf of the Association subject to the Declaration, conveyance of real and personal property and assignments of easements, rights and privileges, including those reserved to Developer in the Declaration.

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

- a. Cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the members at the annual meeting of the members, or at any special meeting when members who are entitled to vote;
- b. Supervise all officers, agents and employees of this Association, and to see that their duties are properly performed;
- c. As more fully provided in the Declaration, to:
  - (1) Fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period;
  - (2) Send written notice of each assessment to every Owner subject thereto at least thirty (30) days in advance of each annual assessment period; and

- (3) Foreclose the lien against any property for which assessments are not paid within thirty (30) days after due date or to bring an action at law against the Owner personally obligated to pay the same.
- (4) Issue, or cause and appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;
- (5) Procure and maintain adequate liability and hazard insurance on property owned by the Association;
- (6) Cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;
- (7) Cause the Association Land to be maintained in an appropriate and first class manner.

## ARTICLE VII

### OFFICERS AND THEIR DUTIES

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

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

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

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



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

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

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

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

#### PRESIDENT

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

#### SECRETARY

- (b) The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the members; keep the corporate seal of the Association and affix it on all papers requiring said seal; serve notice of meetings of the Board and of the members; keep appropriate current records showing the members of the Association together with their addresses, and shall perform such other duties as required by the Board.

#### TREASURER

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

ARTICLE IX

BOOKS AND RECORDS

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

ARTICLE X

CORPORATE SEAL

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

ARTICLE XI

AMENDMENTS

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

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

ARTICLE XIII

MISCELLANEOUS

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

**HALE'S LOCATION OWNERS ASSOCIATION  
ARC REGULATIONS  
2011**

**APPENDIX C**

**HALES LOCATION ESTATES**

**DESIGN REVIEW PROCESS AND  
DESIGN GUIDELINES**

HALES LOCATION ESTATES  
DESIGN REVIEW PROCEDURES AND DESIGN GUIDELINES

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## **I. INTRODUCTION**

The basic intent of the Hales Location Estates Review Process is to keep Hales Location Estates a nice place to live and visit. Experience at other residential communities has shown that uncontrolled growth often destroys the natural environment and visual character of special places.

The quality of site planning, architectural design and construction and landscaping determine to a greater extent the character and visual quality of community. A design review process has been established at Hales Location Estates to help preserve the special character of the community as it grows.

The manual explains the requirements of the Hales Location Estates architectural design and site review process. The guidelines also provide useful information for property owners, their architects and builders. The material should be studied carefully before design work is started in order to avoid unnecessary delays in obtaining design approval and permits for construction at Hales Location Estates.

## **II. PURPOSE OF THE DESIGN REVIEW PROCESS AND DESIGN GUIDELINES**

The Hales Location Estates Design Review Process is designed to be beneficial to all members of the Hales Location Estates.

The Design Review Process establishes the basis for systematic and uniform review of proposed residential construction throughout the Hales Location Estates. It will encourage harmonious architectural design and siting within the natural land forms and native vegetation which makes Hales Location Estates special. It should also enhance the quality of life with the area as well as protect property values.

The Hales Location Estates Guidelines have been prepared to aid property owners, architects and builders in following the Design Review Process. The Design Guidelines describe activities requiring design approval and explain the standard and criteria for Design Review approval.

Design Review has been established to allow the ARC to review and approve all plans for future construction at Hales Location Estates. Therefore, plans for construction on all land shall be submitted to the ARC for approval.

It is the responsibility of the Lot Owner that the Builder complies with mandatory regulations and codes at local and state levels.

## **III. DECISION CRITERIA OF THE ARC**

The ARC will make all decisions based on the Declaration of Covenants, Restrictions and Easements and on the Design Guidelines contained herein or otherwise made available to the applicant.

**Legal Basis for Design Review**

The Declaration of Covenants, Restriction and Easements for Hales Location Estates provides the legal basis for reviewing and accepting new building proposals. The Covenants and Restrictions are intended to be mutually advantageous to all members of Hales Location Estates. These Covenants were established because the concept of architectural design review has a long and successful history of assisting in the preservation of the value, character and amenities of residential and recreational communities.

**Further Decision Criteria:**

1. The HLOA encourages sensitive site planning and diverse architectural styles which conform to those Design Guidelines. Applicants should strive to preserve the integrity of the natural environment, to remove a minimum amount of the native vegetation, to preserve particularly beautiful trees, and to promote minimal disturbance of the natural site features and views and vistas to and from the site.
2. As problems arise with the implementation of the guidelines, policies, and procedures of the Declaration, every effort will be made by the HLOA to address them and adopt resolutions to avoid recurrence in the future. The policies and guidelines will be subject to review and revision by the HLOA as necessary to keep them current and manageable.
3. The ARC will continuously evaluate the building styles and techniques to determine those that successfully fulfill development objectives. If a feature or an entire design which is determined to fall short of development objectives it will not be construed as a precedent for repetition.
4. It is not in the interest of the Hales Location Estates community to permit lesser quality development in response to cost considerations.
5. A building design must be approved for the specific site and for the particular needs of its users. Therefore, buildings shall be reviewed on a site by site basis according to the criteria established. Approval of a design for one site, even within the same area, will not necessarily mean the same design will be approved for another site.
6. Homes of similar or identical design of high architectural quality from stock plans are permitted provided that the design fits the site and that near duplication shall be limited to sites out-of-sight of the closest comparable house.

**IV. PLANNING CONSTRUCTION**

It is recommended that the property owners consult an architect familiar with the development standards at Hales Location Estates and with the applicable local and state codes and regulations.

It is essential that exterior design plans approved by the ARC be constructed exactly as indicated on the approved plans. Deviations from plans which could occur during construction will be

subject to the penalties addressed hereafter unless such deviations are approved in writing by the ARC prior to construction.

Throughout the Design Review Process and Design Guidelines, reference is made to construction limit lines; this area shall not exceed 20% of the total single family lot area (not including driveways and subsurface disposal systems).

#### **V. DESIGN REVIEW PROCESS**

Plans for all new construction, subsequent alterations, or additions must be reviewed and approved in writing by the ARC prior to the initiation of construction. If, for any reason, construction is started prior to the receipt of written approval by the ARC, the property owner shall be deemed in violation and shall be subject to penalties and corrective measures specified in the Declaration.

#### **DESIGN REVIEW AND APPROVAL SEQUENCE**

- a. Owner                      Meets informally with the ARC to discuss plans. (optional)
- b. Owner                      The ARC will provide you with an Application which you must submit to them along with your sketch plans.
- c. ARC                              Upon receipt of a satisfactorily completed Application, Plans and Stakeout, the ARC will issue an HLOA Design Certificate of Approval.

#### **A. APPLICATION**

The applicant shall complete a stakeout and submit an application. This review is intended to resolve possible design problems and ensure that the Design Guidelines are being followed during the design development stage prior to construction.

The applicant can avoid many of the problems which might create delays in the design approval process by discussion early in the process work with the ARC.

#### **The Application Shall Consist of:**

A check or cash payment of One Hundred Dollars (\$100.00). No additional fee shall be required for re-submission of applications revised in response to comments made by the ARC. Applications for review of subsequent alterations of additions to existing buildings shall be subject to the same approval process as new construction.

#### **Two Sets of the Following Documents:**

- a. **Site Analysis and Site Plan**: Scale 1"=20'. The applicant's Individual Septic System Construction Plans as submitted, to be submitted to the WS&PCC with the following modifications sketched or otherwise included thereon;



1. Show the general location of existing or proposed neighboring buildings and indicate possible impacts on proposed construction. Photos would be helpful.
2. Indicate property boundaries, set back lines, location of access street right-of-way and all easements.
3. Superimpose the building plan, including dimensions of all buildings, and area of the site to be disturbed.
4. Show location of all utilities, including telephone, electrical, leach field and water.
5. Indicate the proposed site development, including elements such as: driveway, parking areas, patios, decks, fencing, retaining walls and service yards.
6. Show proposed landscaping.

b. **Architectural Drawings:**

1. **Floor Plans:** Minimum scale  $1/8'' = 1'0''$   
Preferred scale  $1/4'' = 1'0''$

- a. Show all changes in floor level and relationship to exterior grade
- b. Show all dimensions
- c. Include door and window symbols and schedules
- d. Show all attached decks, fences and other appurtenances. Indicate materials and, if appropriate, show sections and elevations.

2. **Elevation Drawings:** Minimum scale  $1/8'' = 1'0''$   
Preferred scale  $1/4'' = 1'0''$

- a. Show all exterior views of the principal structure including those which will be partially blocked from view by elements such as garages or fences. Show all exterior views of accessory structures.
- b. Indicate building materials, window types and door types.
- c. Show finished floor elevations and existing and proposed grade lines.

3. **Roof Plan:** Minimum scale  $1/8'' = 1'0''$   
Preferred scale  $1/4'' = 1'0''$

3. **Exterior Materials, Colors, Specifications and Samples:**

Except when the Arc specifically elects to waive this requirement, or where the colors or material are already known to the ARC, both the names of proposed exterior materials and physical sample shall be included for all buildings, garages and accessory structures.

A final application will not be considered complete without these exterior samples.

Please include the following:

The name, grade, description and sample of roofing to be used; the name, grade, and sample of siding with chosen color applied; specifications and manufacturing for all windows and doors; and any other exterior materials of significance to the design.

#### 4. **Construction Schedule:**

The applicant shall provide a detailed construction schedule indicating the scheduled commencement and completion of the following phases of construction activities:

Site Clearing and Foundation Work

Exterior Construction: Framing, Roofing, Siding

Tie-in to Utilities: Power, Water, Sewer (if applicable)

Septic System Construction

Driveway: When applicable, indicate expected timing on culvert installation.

Landscaping

This schedule will serve as the basis for monitoring of your construction activities.

All homes constructed shall be completed and landscaped within one (1) year from commencement of excavation on the property.

Because Hales Location Estates is an active residential development, the ARC believes construction activities should be scheduled sensitively to minimize the impact on the residents of the community.

#### 5. **Stakeout:**

The applicant shall clearly identify the location of all property lines, where applicable, and proposed construction including decks, patio, garages, services yards, driveways, parking areas, retaining walls, or grade modifications and all utility lines.

Clearly identify the construction limit lines and place appropriate barriers so that vegetation outside the limit line is protected. Flag with red tape all trees to be saved within the construction limit line and place appropriate barriers so that, in judgments of the ARC, the trees will be adequately protected during construction. If selective clearing is proposed outside the construction limit line, it must be clearly identified.

**B. ARC ACTION**

Within fourteen (14) days of submission of the application, the ARC will determine whether or not the application is complete and :

Approve the design as submitted;

Approve the design with conditions; or

Deny approval and state the principle reason(s) or denial.

The ARC may offer specific suggestions to assist in resolving problems that may arise during the review process. The ARC can, however, reject an application based on the judgment of its principles. Reasons for rejections include, among others:

Insufficient information to adequately evaluate the design or design intent

Poor overall design quality

In compatible design elements

Inappropriate design treatment

A design found to have an adverse effect on the character of Hales Location Estates or its residents

If action is not taken by the ARC within the thirty (30) day period, the application shall be considered approved.

**C. ARC APPROVAL**

When compliance has been ascertained, the plans shall be stamped "Approved Except as Noted". A Hales Location Estates approved Application must be posted and maintained in a visible manner next to the County Building Permit on the construction site.

**D. OTHER PROPOSALS**

Approval by the ARC and the issuance of the Hales Location Estates Design Certification does not preclude the necessity of obtaining other permits required by law.

## **VI. DESIGN GUIDELINES**

### **A. SITE PLANNING**

#### **1. Grading**

When you build at Hales Location Estates, you may want to use grading to create visual interest, to provide privacy or to improve climate control. It is important, however, that disruption of the natural conditions be kept to a minimum and that all grading be softened to avoid abrupt changes in the natural terrain.

Conventional excavating equipment can be used for most excavation. It is recommended that site planning and building design accommodate any natural bedrock conditions. Blasting is discouraged and requires a special permit. If permitted, blasting must be carefully controlled.

Earth cuts and fill must be re-vegetated, terraced or controlled by retaining walls to protect against erosion and sedimentation.

#### **2. Drainage**

Careful consideration should be given to the impact your site development will have on the overall drainage patterns of your development area.

When building on sloped terrain, the drainage system for your site should distribute the runoff from storms or irrigation over large areas of land to slow runoff velocity and increase absorption. Natural overland drainage is recommended when possible. Open lined channels are recommended only in difficult conditions and culverts are recommended only in extreme instances.

You should also be aware that sparse vegetation cover, fine grained soils, and steep slopes create conditions that can result in erosion and sedimentation. Where large changes in grade require extensive cut and fill and the resulting slope is greater than 3:1, retaining walls, terracing and/or a combination of jute mesh to retain soil and grasses which are both fast growing and erosion resistance are recommended. Where resulting slopes are in excess of 2:1, retaining walls may be required.

#### **3. Siting**

You will want to site your house to take advantage of any views, but there are some further siting considerations you should keep in mind.

Buildings should fit into the landscape. Buildings on a side hill should be set into the slope, not on it. They should be sited parallel to contours and avoid intrusions above ridge lines. Significant outcroppings should be preserved intact.

Minimal disturbance of natural landscape is a key requirement for virtually all site work at Hales Location Estates. There should be as little disruption of existing vegetation as possible. To ensure that maximum effort is made to preserve all existing trees, the ARC must approve all tree removal before, during and after construction.

#### **4. Driveways**

Driveways must be at least twelve (12) feet wide but not over twenty (20) feet wide. They must provide for safe access onto Hales Location Estates' roads. Intersections should be designed to provide for maximum visibility and should be close to perpendicular.

Driveways should be designed to provide reasonable grades, not to exceed 10% unless approved by the ARC.

Driveways on sloping ground should not run perpendicular to land contours. All cut in fill should be softened and re-vegetation to prevent erosion. Interference with natural drainage flows should be avoided as should interception of surface drainage from roadways.

#### **5. Utilities**

All utility lines must be buried underground unless waived by Hales Location Estates ARC. They should be located under or immediately adjacent to driveways whenever possible to minimize the access for repairs. Transformer pads, air conditioners, and similar mechanical equipment must be screened from view

#### **6. Setbacks**

There shall be a fifteen (15) foot setback from the side yard. There shall be a thirty (30) foot setback from all streets.

No above ground structure 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. The intent and purpose of this 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.

#### **7. Sprinkler Systems**

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.

## **B. ARCHITECTURE**

### **1. Foundations**

A great deal of consideration at Hales Location Estates should be used if a foundation is needed on a side hill location. Foundations are more visible and therefore require special attention. Exposed concrete must be avoided wherever possible. All building walls shall extend to within 24" of the proposed grade unless an alternative is approved by the ARC.

### **2. Exterior Walls**

Exterior walls should reflect the quality of permanence. The use of clear grained wood siding is encouraged. The wood siding should be treated with natural preserving stains. The stain color should be compatible with the earth tones characteristics of the soil, rock, vegetation and other natural elements of the site. Traditional New England colors are also encouraged. Vinyl siding also will be allowed if siding colors are compatible with the above guidelines. Indigenous architectural forms are encouraged, traditional colored paint or stain may be used as accents.

### **3. Roofs**

Rooftops access, stairways, etc. shall not protrude from the roof. Skylights should be set back from the eye line, placed as close to the roof surface as is functional and located parallel to the roof plane. Preferred roofing materials are architectural asphalt shingles, non-glare metal, or fire treated shakes or shingles.

### **4 Porches and Decks**

Protected porches and decks are desirable. Screen porches will add to summer enjoyment but must be an integral part of the building design.

### **5. Fencing and Walls**

Choice of fencing or wall type and materials will depend on the architectural design or related buildings, or the specific use or purpose of the fence.

For aesthetic and environmental reasons, solid fencing shall be attached to the building or used within fifteen (15) feet thereof and shall not exceed seven (7) feet in height. The preferred material members should be on the interior of the fence.

In order to decrease visual impact, fencing further than fifteen (15) feet from the building/s shall be open and shall not exceed four (4) feet in height. Split rail with wood posts, are preferred fencing materials. They will be considered provided that they preserve or enhance the architectural and site design. For example, the ARC will encourage the use of low stone walls to enhance landscaping detail.

In general, fences will be most attractive when they are similar to buildings in color, texture, material and pattern. Metal chain link fencing will not be permitted. All fences must be approved by the ARC.

### **C. LANDSCAPE ARCHITECTURE**

The natural landscape at Hales Location Estates is a significant factor in the community's aesthetic and recreational character. Because the natural environment is such an integral part of the Hales Location Estates community, all landscaping activities at Hales Location Estates should complement the native plant communities. The ultimate goal is to maintain an integrated and harmonious community between man and nature.

#### **1. Recommended Design Philosophy and Plant Materials**

Because the North Country environment at Hales Location Estates has a relatively harsh climate, plant materials must be chosen with care. The use of native plant species is highly recommended. They tend to be the most adaptable and most self-sufficient.

Through the use of adaptable or native plant species, one can eliminate most of the maintenance costs associated with contemporary suburban landscaping activities. Once established, these plants will require no more nutrients than those provided by nature. Plants selected for their ornamental value should be examined for their adaptability to the environment at Hales Location Estates as well.

The ARC encourages naturalistic plantings arranged in dense, informal patterns which characterize the surrounding indigenous landscape. A properly designed natural landscape planning is one that forms a complete natural community of plant association.

In areas where the native vegetation is being retained, sound forest management's practices should be implemented. When necessary, and with the approval of the ARC, trees greater than four (4) inches in diameter can be removed, underbrush removed and selective thinning accomplished.

#### **2. Ground Cover**

The use of ground cover on disturbed terrain at Hales Location Estates is strongly recommended. By consolidating the disturbed surfaces of fine-grained soils, ground cover plays an important role in the prevention of erosion and sedimentation. Ground cover also provides a form of natural cooling as it absorbs radiation from the sun.

#### **3. Retaining Walls**

Steep or unusual terrain will present an opportunity to use retaining walls. Generally, slopes over 3:1 should be mitigated with retaining walls and slopes over 2:1 must be controlled with retaining walls. In view of the natural occurrence of the boulders throughout Hales Location Estates, boulders should be given first consideration in the creation of a retaining wall.

**D. PERMITTED BUILDING TYPES**

Traditional or contemporary versions of Capes, Saltboxes, Ranches, Gambrels, Splits and Colonials are permitted. Other contemporary styles may be submitted for approvals.

Examples of types of buildings not permitted are modular homes, metal homes, earth homes, A-frames, log cabins, geo-sphere homes, or any such home that stands out and is deemed peculiar in design. Minimum square footage of living space, (ie. Not including garages and breezeways) is 1,700 square feet.

**VII. CONSTRUCTION AT HALES LOCATION ESTATES****A. PRE-CONSTRUCTION ACTIVITIES**

No lot is to be cleared or construction otherwise started without the approval of the ARC. The applicant agrees to pay for any damages to street, ditches, common areas, trees to be saved, or adjoining lots or sites which might occur during site clearing, landscaping or home construction.

The ARC will inspect the building under construction for compliance with approved plans and may report its findings to the Board of Directors or County Commissioners.

Presently, there is no dumping area for contractors at Hales Location Estates, nor is there a pit for obtaining earth fill. Contractors must dispose of all construction materials at their own expense or the expense of the property owner.

**B. CONSTRUCTION ACTIVITIES – GENERAL RULES**

Hales Location Estates is a residential community which attracts people who seek the unique residential opportunities and scenic environmental amenities it has to offer. While visitors and residents all understand the need for construction activity, they will enjoy their time here more if construction activities take place in an orderly and timely manners. Therefore we ask your cooperation with the following procedural requirements:

1. In order to minimize the damage to the natural terrain, ingress and egress to the lot shall be made through only one place on the site as indicated on the final application. Damage to streets, common areas and trees as a result of construction will be assessed by the ARC and charged to the Owners.
2. Only those trees indicated to be removed on the approved site plan shall be removed. Care should be exercised to protect all other trees from equipment damage and/or filling.
3. Care should be taken during construction to avoid cutting, placing any fill, or storage or equipment or materials under the tree drip line.
4. Materials must be stored in an inconspicuous area of the site within the established limits of construction specified in the final application. No vehicles or material will be permitted outside the construction limit line. The use of adjoining properties for access to the site of



the storage of materials is forbidden unless written permission is obtained from the owners.

5. Cleanliness will be practiced and contractors are required to make frequent cleanups of surplus materials, trash, coffee cups, wrappers, etc. Cleanups shall be made at least once a week on Fridays so that the community will be clean for the weekend visitors and residents. Unsightly building sites constitute nuisances to the community and will be handled according to the Covenants and Restrictions.
6. One sign identifying the contractor, architect and landscape architect may be displayed on the Lot. This sign must not exceed 19" x 16". No loud or gaudy colors will be permitted. When the job is complete, the sign must be removed immediately. No other signs will be displayed at any time, including those of subcontractors or signs advertising other goods or services.
7. Because sewer and water service to the buildings is underground, care should be taken to insure these lines have been installed in the utility ways shown on the final application and that all water and sewer connections have been made prior to paving drives, walks, etc. Any questions about the location of underground lines should be directed to the ARC, Board of Directors or Manager.
8. Construction should proceed in a timely manner taking into account the potential adverse effects of seasonal variations in the weather. It is recognized that landscaping planting periods are limited, however, building construction is not considered complete until ALL site work is finished.
9. There will be no loud music played by the contractor or sub-contractors at anytime that will cause residents to register a complaint.
10. Contractor or sub-contractor dogs or other animals will not be allowed on site unless they are continually on a leash.
11. The working hours for construction personnel at Hales Location Estates will be from 7:00 AM to 8:00 PM, Monday through Friday and 8:00 AM to 5:00 PM on Saturdays.
12. BOCA National Building Code standards must be used in construction.

### **C. POST-CONSTRUCTION ACTIVITIES**

Upon the completion of construction, the property owner and the contractor are responsible for:

- a. Removing all remaining building debris from the site and surrounding areas.
- b. Removing contractor's signs.

**VIII. FINES AND PENALTIES**

The Design Review Process and the underlying Declaration of Covenants, Restrictions and Easements establish these procedures and regulations which will be enforced. Legal remedies may be sought as for negligent as well as intentional violations of this process, in the amount of One Hundred Dollars (\$100.00) per day for any such violation that remains unabated after written notice provided by the ARC and Board of Directors. Any such fine will constitute a lien on the property as provided in Article V of the Declaration, with the same payable to the HLOA, as well as interest and costs of collection as provided therein.

## **HALES LOCATION OWNERS ASSOCIATION**

### **DESIGN REVIEW PROCESS SHORT GUIDELINES**

This step by step guide will aid you in your construction process. Refer to the Design Review Process and Design Guideline for a more in depth understanding of the standards expected at Hales Location Estates. The term ARC, hereinafter, refers to the Architectural Review Committee.

The Committee is made of five (5) members. Two (2) members are also members of the Board of Directors and two (2) members-at-large from the lot owner membership and the HLOA Manager.

#### **APPROVAL PROCESS**

##### **FIRST STEP**

The Builder will meet with the ARC to submit the house plans, a site plan along with an application signed by the builder and Lot Owner.

This application must be submitted to the ARC with a check for \$100.00 made out to the HLOA.

The application should state the Lot Owner and Builder have been given a copy of the **Declarations, Covenants and Restrictions, By-Laws and The Design Review Process and Design Guidelines**.

**BOCA** National Building Code standards are to be followed during the construction process and if the Owner or Builder has any questions or concerns regarding these requirements, they should be addressed at the initial meeting with the ARC.

##### **SECOND STEP**

An on-site meeting with the ARC and Builder will occur to review the site plan. At this time, the house site stakes should be in the ground for review. The number of trees removed at this time should be limited to those needed to stake the site.

The areas designated to remain in a natural state should be designated with appropriate tape and the trees outside of this area that are to be removed should also be designated.

Resubmission of house plans if needed

### **APPROVAL OF THE ARC**

The process should be accomplished in a timely manner following final submission of house and site plans. Two sets of plans (house and site) should be submitted. Both sets of plans will receive the approval seal of the HLOA.

The first set will be kept in the HLOA office and the second set will be kept on site.

If a variance is needed, a request should be submitted first in writing to the ARC for a recommendation and then to the HLOA Board of Directors for final approval.

### **MODIFICATION TO THE APPROVED PLANS**

All changes made to the exterior construction and significant changes to the interior construction must be reported to the ARC for approval prior to implementation. Requests should be made in writing. These will be made in duplicate and a copy will be returned to the Builder following approval.

### **EXTERIOR LANDSCAPING**

Any unusual landscaping or significant topographic changes should be submitted to the ARC.

### **FENCES OR EXTERIOR WALLS**

All fences or exterior walls require approval from the ARC.

### **SETBACKS**

There shall be a fifteen (15) foot setback from the side yard. There shall be a thirty (30) foot set back from all streets.

No above ground structure 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.

### **SPRINKLER SYSTEMS**

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.

**SUBDIVISION OR REALIGNING A PROPERTY LOT**

There shall be no subdivision of a property lot or realignment of a property lot without the written approval of the HLOA Board of Directors.

**COMPLETION OF CONSTRUCTION**

All homes constructed shall be complete and landscaped within one (1) year from commencement of excavation of the property.

**HALES LOCATION OWNERS ASSOCIATION**

**RULES GOVERNING**  
**CONTRACTORS**

- All vehicles must have valid motor vehicle registrations.
- No overnight parking of trucks or equipment except when currently being used in construction.
- No dumping in Hales Location without special permission from the Board of Directors.
- General contractor must post a \$2,000.00 road bond for road repair before construction begins.
- Contractor must submit two complete sets of house and site plans to the ARC for approval prior to construction. Plans should be readily available at the construction site.
- No construction will be started until an approval from the ARC is received.
- A set of signed (ARC approved) plans should be kept on the construction site.
- Contractors must abide by the ARC rules.
- The working hours for construction personnel at Hales Location Estates are from 7:00 am to 8:00 pm, Monday thru Friday and 8 to 5 on Saturdays.
- There will be no loud music played by the contractor or subcontractors at anytime that will cause residents to register a complaint.
- Contractor or subcontractor dogs or other animals will not be allowed on site unless they are continually on a leash.
- BOCA National Building Code standards must be used in construction.

General Rules and Guidelines Hand Delivered to Owner of Record and Builder of Record this  
\_\_\_\_\_ of \_\_\_\_\_, \_\_\_\_\_

Owner \_\_\_\_\_ Builder \_\_\_\_\_

ARC Committee/Board of Directors Member \_\_\_\_\_

By \_\_\_\_\_ Authorized Signature