

BY-LAWS
OF
REBECCA LANE
WATER SYSTEM ASSOCIATION
CONWAY, NEW HAMPSHIRE

ARTICLE I

Articles of Agreement

The name of the corporation, the object for which it is established and the nature of the business to be transacted by it, and the location of its principal place and other places of business shall be set forth in the Articles of Agreement, as from time to time amended. The powers of the corporation and of its Directors and members, and all matters concerning the conduct and regulation of the business of the corporation shall be subject to such provisions in regard thereto, if any, as set forth in such Articles of Association; and such Articles of Association are hereby made a part of these By-Laws.

ARTICLE II

Membership

Section 1:

(a) The annual meeting of the members shall be held at 2:00 p.m. on the third Saturday of August of each year for the purpose of electing Directors and transacting any other business authorized to be transacted by the members. If that day is a legal holiday, the meeting shall be held at the same hour on the next day. In the event that such annual meeting be omitted by

oversight or otherwise on the date herein provided, a subsequent meeting may be held in place thereof and any business transacted, votes had, or elections held at such meeting, shall be of the same force and effect as if transacted, had or held at such annual meeting.

(b) Special members meetings shall be held whenever called by a majority of the Board of Directors and must be called by such directors upon receipt of a written request from members entitled to cast one-half of the votes of the entire membership.

(c) Notice of all members meetings stating the time and place and the objects for which the meeting is called shall be given by the Directors unless waived in writing. Such notice shall be in writing to each member at his address as it appears on the books of the Association and should be mailed as to annual meetings not less than twenty-one (21) days or more than sixty (60) days prior to the date of the meeting, and as to all other meetings, not less than seven (7) days prior to the date of the Meeting. Proof of such mailing shall be given by the affidavit of the person giving notice. Notice of meeting may be waived before or after meetings.

(d) A quorum at members meetings shall consist of persons entitled to cast a majority of the votes of the Association. If any meeting of the members cannot be organized because a quorum has not attended, the members who are present, either in person or by proxy may adjourn the meeting for at least ten (10) days. An adequate notice of the new date shall be given as described in Section 1 (c) of this Article.

Section 2:

In any meeting of members, the owners of lots shall be entitled to cast the number of votes equal to the number of lots owned.

Section 3:

If a lot is owned by a corporation, the person entitled to cast the vote for the lot shall be designated by a certificate of appointment signed by the President or Vice-President and attested by the Secretary or Clerk of the corporation and filed with the Board of Directors of the Association. Such certificate shall be valid until revoked or until superseded by a subsequent certificate or until a change in the ownership of the lot concerned. A certificate designating the person entitled to cast the vote of a lot may be revoked by any owner thereof.

Section 4:

Votes may be cast in person or by proxy. Proxy may be made by any person entitled to vote. They shall be valid only for the particular meeting designated and must be filed with the Secretary before the appointed time of the meeting.

ARTICLE III

Corporate Seal

The seal of the corporation, subject to alteration thereof by the Board of Directors, shall consist of a flat-faced circular disc with the words and figures "Rebecca Lane Water System Association - 1996 - New Hampshire" cut out or engraved thereon.

ARTICLE IV

Directors

Section 1:

The affairs of the Association shall be managed by a Board of no less than three (3) Directors and no more than five (5) Directors. The officers of the Association to be elected by the Board of Directors.

Section 2:

Election of Directors shall be conducted at the annual members' meeting.

Section 3:

Except as to vacancies provided by removal of Directors by members, vacancies in the Board of Directors occurring between annual meetings of members shall be filled by the remaining Directors.

Section 4:

Any Director may be removed by concurrence of two-thirds of the vote of the entire membership at a special meeting of the members called for that purpose. The vacancy in the Board of Directors so created shall be filled by the members of the Association at the same meeting.

Section 5:

The term of each Director's service shall extend until the next annual meeting of the members and thereafter until a successor is duly elected and qualified or until he is removed in the manner elsewhere provided.

ARTICLE V

Directors Meetings

Section 1:

Regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time by a majority of the Directors. Notice of regular meetings shall be given to each Director personally or by mail, telephone or telegraph, at least three (3) days prior to the day named for such meeting.

Section 2:

Special meetings of the Directors may be called by the President and must be called by the Secretary at the written request of one-third of the Directors. Notice of the meeting shall be given personally or by mail, telephone or telegraph, at least three (3) days prior to the day named for such meeting, which notice shall state the time, place and purpose of the meeting.

Section 3:

Any Director may waive notice of a meeting before or after the meeting and such waiver shall be deemed equivalent to the giving of notice.

Section 4:

A quorum at Directors' meetings shall consist of a majority of the entire Board of Directors. The acts approved by a majority of those present at a meeting at which a quorum is present shall constitute the acts of the Board of Directors. At any adjournment meeting, any business which might have been transacted at the meeting as originally called, may be transacted without further notice. The joinder of a Director in the action of a meeting by signing and concurring in the minutes thereof shall constitute the presence of such Director for the purpose of determining a quorum.

ARTICLE VI

Powers and Duties of the Board of Directors

All the powers and duties of the Association existing under the Articles of Incorporation and these By-Laws shall be exercised exclusively by the board of Directors, its agents, contractors or employee subject only to approval by the lot owners when such is specifically required. Compensation of employees of the Association, if any, shall be fixed by the Directors. A Director may be an employee of the Association and a contract for management of the water system and development may be entered into with a Director.

ARTICLE VII

Budget

The Board of Directors shall adopt a budget for each calendar year which shall include the estimated funds required to defray common expenses and to provide funds for other necessary expenses concerning operation and maintenance of the water system.

ARTICLE VIII

Assessments

Section 1:

Assessments against the lot owners for their shares of the items of the budget shall be made on or before the first day of September preceding the year for which the assessments are made, subject to approval of the members at their annual meeting. Such assessments shall be paid in one installment and shall be due on or before the 15th day of November. If an annual assessment is not made as required, an assessment shall be presumed to have been made in the amount of the last prior assessment. In the event the annual assessment proves to be insufficient, the budget and assessments therefore may be amended at any time by the board of Directors, subject to the written approval of a majority of the membership of the Association present at the annual meeting. The unpaid assessment for the remaining portion of the calendar year for which the amended assessment is made shall be due as determined by the Board of Directors.

Section 2:

If a lot owner shall fail to pay for the water service as set forth herein, the lot owner shall be sent a disconnect notice which shall clearly and concisely state the date of disconnection, the reason for the disconnect and the manner in which the lot owner may contest the reason for the disconnect. If a lot owner shall be in default in the payment for water service for a period of 30 days following the postmarked date of Page 8 the water assessment bill, and the amount of the outstanding bill exceeds \$10.00, and no medical

emergency has existed at the location within the previous 30 days of which the Association has been advised by a physician, the Association shall provide the notice of intent to disconnect, post marked at least 12 days in advance of the date of the proposed disconnection. If payment is not received by the Association, the water service may be terminated on the scheduled termination date. Water service may be disconnected on a business day between the hours of 8 a.m. and 3 p.m. The individual disconnecting the service must advise adult occupants of the premises of the disconnect or leave a note if no adult is at the premises. Said note shall include information as to how the member may be reconnected. If the member tenders payment in full of the outstanding bill to the individual sent to disconnect the water, the payment shall be accepted and the water service left intact. Service shall promptly be restored once the delinquent bill plus a fifty dollar reconnect fee has been paid in full. If the member has had 2 disconnect notices within a twelve month period, the Association shall be entitled to collect from the member a deposit equal to one half of the yearly water bill assessment as a condition for the restoration of water service. Deposits, less any amount owed to the Association, shall be refunded to the lot owner within 30 days of termination of service or when all bills have been paid without delinquency for 12 consecutive months.

Section 3:

The charge for an initial hookup fee to hook into the Page 9 Association water system shall be One Thousand Five Hundred Dollars (\$1,500.00). Said fee shall be collected in full prior to the commencement of

the hookup process.

Section 4:

Assessments for common expenses or emergencies which cannot be paid from the annual assessments for common expense shall be made only after notice of the need therefor to the lot owners concerned. After such notice and upon approval in writing by persons entitled to cast more than a majority of the votes of the lot owners concerned, the assessment shall become effective and it shall be due after thirty (30) days' notice thereof in such manner as the Board of Directors may require.

Section 5:

The depository of the Association shall be such bank or banks as shall be designated from time to time by the Directors and in which the monies of the Association shall be deposited. Withdrawals of money from such accounts shall be only by checks signed by such persons as are authorized by the Directors.

Section 6:

The members of a majority vote at any meeting may require that an audit of the accounts of the association shall be made annually by a Certified Public Accountant and a copy of the report shall be furnished to each member not later than April 1st of the year following the year for which the report is made. Section 7: Fidelity Bonds may be required by the Board of Directors from all persons handling or responsible for the Association Page 10 funds. The amount of such bonds shall be determined by the Directors. The premiums on such bonds shall be paid by the Association. ARTICLE IX Amendments These By

-Laws may be amended in the following manner:

Section 1:

Notice of the subject matter of a proposed amendment shall be included in the notice of any meeting at which a proposed amendment is considered.

Section 2:

A resolution adopting a proposed amendment may be proposed by either the Board of Directors or by the members of the Association. Directors and members not present in person or by proxy at the meetings considering the amendment may express their approval in writing provided such approval is delivered to the Directors at, or prior to the meeting. Except as elsewhere provided, such approvals must be by at least a majority of the entire membership of the Board of Directors and by not less than a majority of the votes of the entire membership of the Association.

Section 3:

No amendment shall discriminate against any lot owner or against any lots unless the owner so affected shall consent.

Section 4:

A copy of each amendment shall be certified by the Directors of the Association as having been duly adopted. Page 11 The foregoing were adopted as the By-Laws of the Rebecca Lane Water System Association, a corporation not for profit under the Laws of the State of New Hampshire, at the first meeting of the Board of Directors on -----' 1996. Executed this day of , 1996.