

EXHIBIT C

BY-LAWS

OF

THE INNS OF WATERVILLE VALLEY ASSOCIATION

ARTICLE 1, PURPOSE AND DEFINITIONS

- 1-100. Purpose. The administration of The Inns of Waterville Valley, A Time-Share Condominium (the "Condominium") shall be governed by these By-Laws which are annexed to the Declaration of said Condominium and are made a part thereof, and all present and future holders of any interest in any unit in the Condominium shall hold said interest subject to these By-Laws, the Declaration, and any Condominium Residency Regulations promulgated thereunder or hereunder.
- 1-200. Definitions. Certain of the terms used in these By-Laws have been defined in the Declaration and, when used herein, shall have the same meaning as set forth in the Declaration, unless the context clearly indicates a different meaning therefor.
- 1-300. Applicability of By-Laws. The provisions of these By-Laws are applicable to all of the property which now constitutes or hereafter may be added to the Condominium, and to the use and occupancy thereof. All present and future owners, visitors, tenants, and occupants of units and any other persons who may use the facilities of the Condominium in any manner, are subject to these By-Laws, the Declaration, and the Condominium Residency Regulations. The Acceptance of a deed of conveyance or the entering into of a lease or the act of occupancy of a unit shall constitute an agreement to accept, to ratify, and to comply with these By-Laws, said Condominium Residency Regulations, and the provisions of said Declaration, as each or all of them may be amended from time to time.

ARTICLE 2, ASSOCIATION MEMBERS: MEETINGS

- 2-100. Members and Voting Rights. Each unit owner shall be a member of the Association. The membership of the Association shall consist of all of the unit

owners. Each unit owner shall be entitled to one vote for each weekly unit interval owned by him.

- 2-200. Transfer of Membership. The Association shall not issue stock. Membership in the Association may be transferred only as an incident to the transfer of title to a unit as and in the manner provided for by the Declaration, and upon compliance with all of the terms thereof, shall become effective in accordance with the foregoing, upon recordation of a deed of conveyance to the said unit.
- 2-300. Annual Meeting. Commencing in 1982, the annual meeting of the Association shall take place on the first Saturday in June of each year at 10:00 a.m. at the Condominium, or at such other reasonable place or time or date as may be designated by written notice of the President or a majority of the Board of Directors.
- 2-400. Special Meetings. Special meetings of the owners may be called at any time for the purpose of considering matters which, by the terms of the Declaration, these By-Laws, or the Act, require the approval of the owners, or for any other reasonable purpose. Said meeting shall be called by the President or by a majority of the Board of Directors upon at least seven (7) days written notice prior to the date of said meeting.
- 2-500. Contents of Notice. All notices of all members' meetings shall state the time and place thereof and the objects or purposes for which the meeting is called. Any such notice shall be deemed waived by any owner who expressly waives the same in writing or who is present in person or by proxy at any such meeting.
- 2-600. Quorum. At any meeting of the Association, the presence in person or by proxy at the beginning of such meeting of owners holding at least one-fourth (1/4) of the owners total voting power, shall constitute a quorum, but less than a quorum may transact business if owners holding fifty percent (50%) of the voting power not present subsequently assent to the decisions made at said meeting by signing a copy of the Minutes thereof to be filed with the records of the Association. When a quorum is present, unless otherwise provided in the Declaration, these By-Laws, or the Act, a majority of the owners' total voting power present in person or by proxy shall decide any business brought before the meeting.

- 2-700. Voting. At any meeting of the Association, the owners shall be entitled to cast one vote for each weekly interval owned. Multiple owners shall only be entitled to one vote per weekly interval. Any owner may attend and vote at such meeting in person or by proxy. No proxy given by any owner shall be valid for a period of longer than one calendar year. Any ownership intervals owned by the Declarant shall be entitled to a vote and shall be included in the total of ownership percentages when computing the interest of all other owners for voting purposes.

ARTICLE 3, BOARD OF DIRECTORS

- 3-100. Number. The Board of Directors shall consist of not less than three (3) persons nor more than five (5), the number to serve for each ensuing year of the Association to be established at the Annual Meeting of the members by majority vote of the members entitled to vote at the meeting.
- 3-200. Vacancies. Vacancies in the Board of Directors may be filled until the date of the next Annual Meeting by the remaining Directors.
- 3-300. Terms of Offices. The Directors shall be elected for staggered terms.
- 3-400. Meetings. Regular meetings of the Board may be held at such time and place as shall be determined from time to time by a majority of the Directors. Special meetings of the Board of Directors may be called by the President or by a majority of the members of the Board of Directors or by a majority of the members of the Board of Directors by giving three (3) days' personal notice to all of the members of the Board of the time and place of said meeting and the purpose of the meeting. Any Director may waive notice of a meeting. A quorum shall be considered to be more than one-half of the members of the Board.
- 3-500. Presiding Officer. The presiding officer of the Board of Directors' meetings shall be the President of the Association. In the absence of a presiding officer, the Directors present shall designate one of their number to preside.

ARTICLE 4, POWERS AND DUTIES OF THE BOARD OF DIRECTORS

- 4-100. Powers and Duties of Board of Directors. The Board of Directors shall have powers and duties specifically conferred upon it by the Act, the Declaration, the Articles of Agreement, and these By-Laws and all other powers and duties necessary for the administration of the affairs of the Condominium, except as otherwise provided by law, the Declaration, the Articles of Agreement, or these By-Laws, including, without limiting the generality of the foregoing, the power and duty to obtain the following items for the benefit of the Condominium, all of which items shall be Common Expenses:
- 4-101. To make and collect assessments against members to defray the costs of the Condominium.
- 4-102. To use the proceeds of assessments in the exercise of its powers and duties.
- 4-103. To provide for the acquisition, construction, management, maintenance, and care of Association property, whether real or personal.
- 4-104. To provide for the reconstruction of improvements after casualty and for the further improvement of the property.
- 4-105. To enforce by legal means the provisions of the Condominium Instruments, the Articles of Agreement, the By-Laws, and the Residency Regulations for the use of the property in the Condominium.
- 4-106. To contract for management of the Condominium and to delegate to such contractor all powers and duties of the Association except such as are specifically required by the Condominium Instruments to have the approval of the Board of Directors or the membership of the Association.
- 4-107. Pay taxes and assessments which are liens against any part of the Condominium, and to assess the same against the unit owners subject to such liens.
- 4-108. Carry insurance for the protection of unit owners and the Association against casualties and liabilities, including, but not limited to, fire insurance with extended coverage endorsements, public liability insurance policy or policies, and Workmen's Compensation insurance as required by law or as the Board may determine.

- 4-109. To pay the cost of all power, water, sewer and other utility services rendered to the Condominium and not billed to owners of individual units.
- 4-110. To employ personnel for reasonable compensation to perform the services required for proper administration of the purposes of the Association, such as, but not limited to, any legal and accounting services necessary or proper for the operation of the Condominium or the enforcement of the provisions of the Act, the Declaration, the Articles of Agreement, these By-Laws, and the Condominium Residency Regulations.
- 4-111. To provide for trash collection, snow removal from the Common Areas, water, electrical, telephone, and gas and any other necessary utility service for the Common Area (and to the extent not separately metered or charged, for the units).
- 4-112. To provide for the fidelity bond naming the Manager, if any, and any other persons as may be designated by the Board, as principals, and the owners as obligees, for the first year in an amount equal to at least ten percent (10%) of the estimated cash requirement for common expenses for that year (but not to exceed \$25,000) as determined pursuant to the terms of these By-Laws and for each year thereafter in an amount equal to at least ten percent (10%) of the total sum collected for Common Expenses during the preceding year (but not to exceed \$25,000).
- 4-113. To provide for such painting, maintenance, repair and landscaping of the Common Area, the units, and such furnishings, tools, equipment, appliances, and other personal property for the Common Area as the Board shall determine is necessary or proper.
- 4-114. To provide for any emergency repairs to any unit necessary to prevent damage to other parts of the Condominium.
- 4-115. To provide for any other materials, supplies, labor, services, maintenance, repairs, structural alterations, insurance, taxes, or assessments which the Board is required to secure or pay for pursuant to the terms of the Declaration, the Articles of Agreement, these By-Laws, or the Act, or which in its opinion shall be necessary or proper for the operation of the Common Area or for the enforcement of the Declaration or of these By-Laws, provided that if any such materials, supplies, labor, services, maintenance, repairs, structural alterations,

insurance, taxes, or assessments are provided for particular units and are necessitated by the negligence of the owner or occupants of such units, the cost thereof shall be specially assessed to the owners of such units.

- 4-200. Financial Limitation. The Board's power shall be limited in that it shall have no authority to acquire and pay for out of Common Expenses capital additions and improvements or structural alterations (other than for the purposes of replacing portions of the Common Area, subject to the provisions of the Declaration) having a cost in excess of Twenty Thousand (\$20,000.00) Dollars unless such additions, improvements, or alterations have been approved by a majority of the owners' total voting power.
- 4-300. Right to Contract. The Board shall have the exclusive right to contract for all such items referred to in this Article.

ARTICLE 5, OFFICERS OF THE ASSOCIATION

- 5-100. Executive Officers. The Executive Officers of the Association shall be a President, who shall be a Director, a Secretary and a Treasurer, all of whom shall be elected annually by the Board of Directors and who may be removed by a vote of the Directors at any meeting. The Board of Directors, shall, from time to time, elect such other officers and committees and designate their powers and duties as the Board determines necessary to manage the affairs of the Association.
- 5-200. The President. The President shall be the chief executive officer of the Association; he shall preside at all meetings of the unit owners and of the Board of Directors. He shall have all of the powers and duties which are usually vested in the office of president of an association, including but not limited to the power of appointing committees from among the members from time to time as he may, in his discretion, determine appropriate to assist in the conduct of the affairs of the Association and the power to sign all written contracts of the Association.
- 5-300. The Secretary. The Secretary shall keep the Minutes of the proceedings of the Board of Directors and of the unit owners. He shall attend to the giving and serving of all notices required by law. He shall have custody of the seal of the Association, if any, and shall affix the same to instruments requiring a seal when duly signed. He shall keep the records of the Association except those of the Treasurer.

and shall perform all other duties incident to the office of secretary of an Association and as may be required by the Directors or the President.

5-400. The Treasurer.

5-401. Custody of Funds. The Treasurer shall have the custody of the Association funds and securities and shall keep full and accurate accounts of receipts and disbursements in books belonging to the Association and shall deposit all monies and other valuable effects in the name and to the credit of the Association.

5-402. Disbursement of Funds. He shall disburse the funds of the Association as may be ordered by the Board in accordance with these By-Laws, making proper vouchers for such disbursements, and shall render to the President and the Board of Directors at the regular meeting of the Board of Directors, or whenever they may require it, an account of all of his transactions as Treasurer and of the financial condition of the corporation.

5-403. Collection of Assessments. He shall collect the assessments and shall promptly report the status of collections and of all delinquencies to the Board of Directors.

5-404. Reports to Transferees. He shall also give status reports to potential transferees, on which reports the transferees may rely.

5-500. Continuance of Owner's Liability. The liability of the owners shall continue until the transfers have been approved and all such transferees shall be deemed liable for past due assessments (other than institutional mortgagees purchasing at institutional mortgage foreclosure sales or purchasing at sales in lieu of such foreclosure sales).

5-600. Compensation. The compensation of all officers and employees of the Association shall be fixed by the Directors. This provision shall not preclude the Board of Directors from employing a Director as an employee of the Association nor preclude the contracting with a Director for the management of the Condominium.

ARTICLE 6, FINANCE AND ASSESSMENTS

6-100. Depository. The funds of the Association shall be deposited in a bank or banks designated by the Board of Directors, in an account or accounts for the Association under resolutions approved by the Board of Directors.

6-200.

Adoption of and Contents of Budget. The Board of Directors shall adopt a budget for each calendar year which contains estimates of the cost of performing the functions of the Association and the income of the Association, including but not limited to the following items:

- (a) common expense budget for:
 - (1) maintenance and operation of Common Area, landscaping, street and walkways, and security guards, if any;
 - (2) maintenance and repairs of units;
 - (3) fund for common furnishings replacement;
 - (4) capital funds established by vote of unit owners;
 - (5) utilities;
 - (6) liability insurance;
 - (7) casualty insurance;
 - (8) administration, including legal and accounting;
 - (9) membership dues.
- (b) proposed assessments against each member.

6-300.

Delinquent Assessments. In the event an assessment is not paid within thirty (30) days of the date it is due and payable, the Association, through its Board of Directors, may proceed to enforce and collect the said assessment, with interest at the maximum lawful rate, against the unit owner owing the same in the manner set forth in RSA 356-B:46. Each delinquent unit owner shall be responsible for attorney's fees, interest and costs incurred by the Association incident to the collection of such delinquent assessments or enforcement of any lien held by the Association for unpaid assessments.

ARTICLE 7, VIOLATIONS

7-100.

Violations. In the event of a violation (other than the non-payment of an assessment) by a unit owner of any of the provisions of the Declaration, the Articles of Agreement, these By-Laws, the Residency Regulations, or the applicable portions of the Condominium Act, the Association, by direction of its Board of Directors, may notify the unit owner by written notice of such breach, and if such

violation shall continue for a period of thirty (30) days from the date of this notice, the Association, through its Board of Directors, shall have the right to treat such violation as an intentional and inexcusable and material breach of the Declaration, the Articles of Agreement, the By-Laws, the Residency Regulations, or the pertinent provisions of the Condominium Act, and the Association may then, at its option, have the following election: (a) an action at law to recover for its damage on behalf of the Association or on behalf of the other unit owners; (b) an action in equity to enforce performance on the part of the unit owner; or (c) an action in equity for such equitable relief as may be necessary under the circumstances, including injunctive relief. Failure on the part of the Association to maintain such an action at or in equity within ninety (90) days from date of a written request, signed by a unit owner, sent to the Board of Directors, shall authorize any unit owner to bring an action in equity or suit at law on account of the violation. Any violations which are deemed by the Board of Directors to be a hazard to public health may be corrected immediately as an emergency matter.

ARTICLE 8, NOTICE

- 8-100. Notices. Whenever notices are required to be sent hereunder, the same shall be sent:
- 8-101. To Unit Owners. To the unit owners by certified mail, return receipt requested, at the addresses such unit owners may have designated to the Board of Directors.
- 8-102. To Association. To the Association, by certified mail, return receipt requested, at Waterville Valley New Hampshire 03223.
- 8-200. Deemed Sent When Mailed. All notices shall be deemed and considered sent when mailed.
- 8-300. Change of Place of Notice. Any party may reserve the right to change the place of notice to him or it by written notice in accordance with the terms and provisions of this Article.

ARTICLE 9, AMENDMENTS TO THE BY--LAWS

- 9-100. Amendments. These By-Laws may be amended as set forth in 8-100 of the Declaration, and in accordance with the provisions of the Condominium Act. No modification or amendment shall become effective until recorded in the Grafton County

Registry of Deeds. An amendment may be proposed by either the Board of Directors or by the membership of the Association.

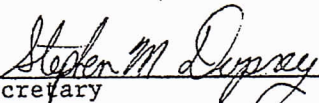
ARTICLE 10, RESIDENCY REGULATIONS

- 10-100. Residency Regulations. The Association may, from time to time, adopt and amend previously adopted administrative Residency Regulations governing the details of the operation and use of the Common Area and the units in the Condominium; provided, however, that no such Residency Regulations shall conflict with the Declaration, these By-Laws, or the provisions of the Condominium Act, and in the event of any conflict between the said Residency Regulations and the foregoing, the latter shall prevail. The Board of Directors shall, from time to time, post in a conspicuous place on the Condominium property a copy of the Residency Regulations adopted from time to time by the Association. These Residency Regulations may be amended by the vote of two-thirds or more of the total voting power of all unit owners before such shall become effective.

ARTICLE 11, SEVERABILITY: GENDER: INTERPRETATION

- 11-100. Severability. The invalidity of any part of these By-Laws shall not impair or affect in any manner the validity, enforceability or effect of the balance hereof or the Declaration.
- 11-200. Gender. The use of the masculine gender herein shall be deemed to include the feminine gender and the use of the singular shall be deemed to include the plural, whenever the context so required.
- 11-300. Interpretation. The provisions of these By-Laws shall be liberally construed to effectuate its purpose of creating a uniform plan for the development and operation of a time-share condominium project.

The foregoing were adopted as the By-Laws of The Inns of Water-ville Valley Association, a condominium association, not for profit, organized under the laws of the State of New Hampshire, at the first meeting of the Board of Directors on the 15th day of January, 1982


Secretary

APPROVED


President