

**SLEEPER ISLAND ASSOCIATION
BY-LAWS**

PREAMBLE

The Sleeper Island Association (SIA) is a voluntary Corporation formed by a group of persons owning lots on Sleeper Island, located in Lake Winnepesaukee in the Town of Alton, New Hampshire, for the purpose of leasing or maintaining recreational properties and facilities and providing social activities for the benefit of those who are owners of shore-front lots on Sleeper Island, as well as owners of capital stock in SIA. It is also the purpose and intent to hold title to lands in the rear of respective shore lots (which is the center portion of the island deeded specifically to Sleeper Island Association,) for the purpose of preserving this or any portion of the same in their present state without subdivision or sales to parties whose purpose would be adverse to those who own land along the shore, and the use of which might be detrimental to the value of the shore-front properties. It is also recognized that this SIA owned property might be used for recreational activities the members of SIA may wish to pursue from time to time. Additionally, a buffer zone has been established at the perimeter of the SIA property for future use by active members for septic improvement and repair not accommodated on the member's shore front lot, and use of SIA property to access this site as necessary, such use to be according to procedures set forth in these By-Laws.

It is the further purpose and intent of those who formed this Association that the extent of ownership of SIA property shall be equal among those who own shore lots and are active members, regardless of how many individuals, jointly or as tenants in common, own each shore lot. It is also the purpose and intent that the "share" of the SIA land shall always be a property right which shall be appurtenant to each of the shore lots of active members of SIA, and shall not pass to any person or persons not owning a shore lot on the island, except to other members of the Association, themselves being shore lot owners. Inasmuch as this Association is not being formed for the purpose of making a profit or paying dividends upon the investment of each of these members, it is contemplated that the property taxes, insurance premiums and other costs of improving and maintaining SIA property shall be born equally by the members of the Association.

This revision of the By-Laws has incorporated all previous amendments and changes, the latest amendment being dated September 9th, 2006.

BY-LAWS
OF
SLEEPER ISLAND ASSOCIATION

Article I. Name, Seal and Offices

1. Name. The name of this Corporation shall be “SLEEPER ISLAND ASSOCIATION.”
2. Seal. The seal of the Corporation shall be circular in form and shall bear on its outer edge the words “Sleeper Island Association,” and in the center the words and figures “Corporate Seal 1974, New Hampshire.”
3. Offices. The principal office of the Corporation shall be in the Town of Alton, County of Belknap, State of New Hampshire.

Article II. Members and Meetings of Members

1. Membership. The members of the Association shall consist of those persons signing the Articles of Incorporation who are owners of shore-front lots and who have purchased shares of stock in the Association, and such other owners of shore-front lots who apply for membership in Sleeper Island Association (SIA) and purchase shares of stock in the Association. Membership in SIA shall consist of no more than one (1) share of stock per lot, nor more than one (1) share of stock per lot owner (whether sole owner, joint owner, tenant in common or owner of multiple lots.)
2. Inactive Membership. In the event that a member’s status changes such that he/she no longer meets the “Qualifications for Membership” hereinafter stated, or in the event that a lien has been placed against a member’s stock in the SIA for unpaid dues or assessments, such member will become an “Inactive Member” until membership qualifications have been met and/or the outstanding dues or assessments have been paid, whichever is applicable. An “Inactive Member” will hold no rights of membership.
3. Qualifications for Membership. No person shall qualify for membership in the Association unless he or she is the owner (sole owner, joint owner or tenant in common) of a parcel of land having shore frontage as defined in the Preamble of the By-Laws, situate in the subdivision known as Sleeper Island in Lake Winnepesaukee, in the Town of Alton, New Hampshire. These individuals, otherwise qualified by ownership of shore-front property on Sleeper Island, shall acquire, by purchase or otherwise, and hold one (1) share of the capital stock of SIA to qualify for membership in the Association.
4. Rights of Membership. Each of said shares shall have but one vote at any Annual or Special Meeting of the members of SIA even though one share may be owned by more than one person. In the event that two or more owners of a single share are unable to agree upon how that share is to be voted on a particular issue, said share shall be counted neither for nor against, but rather treated as if the share were not represented. In the event of the death of the holder of a share of capital stock of this Association, the rights of membership shall pass to the heirs, executor or administrator during the administration of the holder’s estate and thereafter as directed by his will or by the laws of intestacy to his lawful heirs, provided the “Qualifications for Membership” are met.
5. Annual Meetings. The Annual Meeting of the members of the SIA shall be held in Alton, NH in June, or such other time and place as may be designated by the President, for the purpose of electing officers and for the transaction of such other business as may properly come before the meeting.
6. Notice of Annual Meeting. Notice in writing of the time, place and purpose(s) of the Annual Meeting shall be given either personally or by USPS mail not less than ten (10) nor more than thirty (30) days before the meeting to each person whose name appears upon the books of the Association as the owner of a share of stock; such notice, if mailed, shall be directed to such member at his/her address as it appears in the records of the SIA.
7. Special Meeting. Special Meetings of the membership may be called at any time by the President or Treasurer in the same manner as the Annual Meeting.

8. Waiver of Notice. The provision as to notice may be waived by written acknowledgment of the same, executed by the members holding all of the shares issued and outstanding, and provided such waiver is filed with the records of such meeting.

9. Quorum. At any meeting of the SIA, the presence in person or by proxy of five (5) or more active members will be necessary to constitute a quorum to open a meeting. However, the approval of active members present in person or by proxy representing a majority of the stock issued and outstanding shall be necessary for affirmative action on any matter involving expenditures of any sum of money in excess of five hundred dollars (\$500,) excluding payment of taxes and insurance premiums, or involving the disposition and use of SIA property. On all other matters, the vote of a majority of those present in person or by proxy shall be sufficient.

10. Compensation and Expenses. Members shall not receive any compensation for their services, but may be paid for rendering unusual or special services to the SIA, or reimbursed for expenses incurred.

11. Proxy and Voting. At each meeting of the SIA, each of said shares shall be entitled to one vote, either as represented in person by the holder or holders thereof, or by proxy appointed by an instrument in writing, signed by the holder or holders thereof and delivered to the Secretary/Clerk of the meeting. Each share shall be entitled to one vote. Upon demand by any member the vote on questions before the meeting shall be by ballot. No "Inactive Member" shall be entitled to vote at any Annual or Special meeting.

Article III. Directors.

1. Qualification, Number and Term of Office. The business and properties of the SIA shall be managed by a board of not less than five (5) nor more than seven (7) directors, subject to the By-Laws and votes of the shareholders. The Board of Directors shall consist of the Officers of the SIA. These Director/Officers shall be elected by ballot by plurality vote of the shareholders at the Annual Meeting, and each Director/Officer so elected shall hold office for a two year term or until their successors are duly elected, with the exception of the Secretary and Treasurer who shall each be elected for a two-year term on alternate years. The number of Director/Officers for each year shall be fixed by vote at the Annual Meeting when elected, but the shareholders may at a special meeting held for the purpose during any such year, increase or reduce the number of Director/Officers as thus fixed, and may elect Directors/Officers to complete the number so fixed.

2. Powers of Directors/Officers. The Board of Directors shall have the entire management of the business of the SIA, consistent with those rights specifically reserved to members in Article II of the By-Laws. In the management and control of the property, business and affairs of the SIA, the Board of Directors is hereby vested with all other powers possessed by the SIA itself, so far as this delegation of authority is not inconsistent with Laws of the State of New Hampshire and with the Articles of Agreement.

3. Vacancies. In the case of any vacancy in the Board of Directors through death, resignation, disqualification or other cause, the remaining Directors by an affirmative vote of a majority thereof, may elect a successor to hold office for the unexpired portion of the term and until his/her successor shall be elected.

4. Meetings of Directors. Meetings of the Board of Directors shall be held at such places and at such

times as the Board may determine by vote from time to time, and without notice as necessary. Special meetings of the Board of Directors will be held at any time or place whenever called by the President, Treasurer, two or more Directors, or the Secretary/Clerk, upon written notice being sent to each Director at least five (5) days prior to the date of the meeting, or at any time without notice provided that either all the Directors are present or that those not present have waived notice thereof.

5. Quorum. A majority of the Board of Directors shall constitute a quorum for the transaction of business, but a lesser number may adjourn any meeting from time to time, and the same may be held as adjourned without further notice. When a quorum is present at any meeting, a majority of the Directors present shall decide any question before such meeting.

Article IV. Officers.

1. Number. The Officers of the SIA shall be the President, Vice-President, Treasurer and Secretary/Clerk, and such other officers with the powers and duties not inconsistent with these By-Laws as may be elected and determined by the members. Any two offices, except those of President and Vice-President may be held by the same person.

2. Vacancies. In case any office of the SIA becomes vacant by death, resignation, retirement, disqualification or any other cause, the remaining Officers may elect a successor to serve until the next meeting, Annual or Special, of the members.

3. Qualifications. All the Officers of the SIA shall be active members of the Association.

4. President. The President shall preside at all meetings of the members and the meetings of the Board of Directors, and shall have the general charge and supervision of the affairs of the SIA.

5. Vice-President. At the request of the President, or in the event of his/her absence or disability, the First Vice-President shall perform the duties and possess and exercise the powers of the President.

6. Treasurer. The Treasurer shall have the custody of all the funds, property and securities of the SIA. When necessary or proper, the Treasurer may endorse on behalf of the Association for collection, checks, notes and other obligations, and shall deposit the same to the credit of the SIA at such bank or banks or depository as members may designate. The Treasurer shall sign all receipts and vouchers, sign all checks of the SIA, as well as promissory notes issued by the SIA, and shall make such payments as may be necessary or properly made on behalf of the Association. He/she shall enter regularly on the books of the SIA to be kept by the Treasurer for the purpose, full and accurate account of all monies and obligations received and paid or incurred by the Treasurer for or on account of the Association, and shall exhibit such books at all reasonable times to any member. The Treasurer shall, in general, perform all the duties incident to the Office.

7. Secretary/Clerk. The Secretary/Clerk of the SIA shall be present at and record the proceedings of meetings of the stockholders and perform all other duties commonly incident to the Office. The Secretary/Clerk shall be present and record the proceedings of meetings of the Directors and perform such other duties as the Board of Directors may, from time to time, designate.

8. Removal. Any Officer may be removed from office by the affirmative vote of two-thirds (2/3) of the shares represented at an Annual Meeting or Special Meeting called for that purpose, for any reason

deemed sufficient by said members.

Article V. Capital Stock.

1. Capital Stock and Certificates of Shares. The capital stock of this Association shall, in accordance with the Articles of Agreement, consist of one hundred (100) shares of capital stock of an initial par value of twenty-five dollars (\$25) cash. The purchase price of each share of stock sold after any assessment to members, excluding annual dues, shall increase by the amount of such assessment from the initial purchase price of twenty-five dollars (\$25) cash. Each shareholder shall be entitled to a certificate. It shall be numbered and registered as issued. Such certificates shall exhibit the name of the holder or holders, number of shares, and be signed by the President or Vice-President and attested by the Treasurer or Secretary/Clerk, and shall bear the Corporate seal.

2. Restrictions on Transfer of Shares. Any holder of said stock who desires to sell or transfer his/her share in the SIA shall notify the President and Treasurer, in writing, of the name and address of the prospective purchaser or transferee. No person or persons shall be eligible as prospective holders or transferees of said stock unless said person or persons shall, at or about the same time, by purchase, gift or other means of transfer, acquire the property rights of the former owner in and to a shore-front lot on Sleeper Island, so-called, located in Lake Winnepesaukee in the Town of Alton, New Hampshire. No person or persons shall be eligible as prospective holders or transferees of said stock unless, after review by the Board of Directors, outstanding assessments or liens against such stock or the holder of such stock are settled prior to such transfer. In the event that the President and Treasurer are satisfied, on the basis of evidence presented to them by the holder or transferee, of the ownership or share thereof of such a parcel, and if outstanding liens and assessments have been settled, then such approval of said transfer of stock shall be indicated in writing to the holder as well as the prospective purchaser or transferee and notice thereof shall be given to the members of the Association. Upon presentation of the outstanding certificate of stock properly endorsed by the holder thereof for transfer to the prospective purchaser or transferee, a new certificate shall be issued to the new prospective purchaser or transferee and his/her name shall be added to the list of active members. In the event of the death of one or more who are joint owners of a single share of stock, either as joint tenants with rights of survivorship or by reason of ownership as tenants in common, a new certificate may be issued to the surviving owner or owners, provided such person(s) shall succeed in the title to that parcel on Sleepers Island formerly held by him/her as joint owner. In the event of the death of an owner of a share of stock of this Association, transfer of said share may become effective upon presentation by his/her executor or administrator of his certificate, properly endorsed for transfer to that person or persons who inherit title to the parcel owned by the former shareholder.

3. Loss of Certificate. In the case of loss, mutilation or destruction of a certificate of stock, a duplicate certificate may be issued upon such terms as the President and Treasurer may prescribe.

4. Annual Dues/Assessment. In order to maintain Active Member status, each holder of a share of capital stock of the SIA shall be obligated to pay, in addition to annual dues, such assessments for unusual or unexpected expenses of the Association, in such amounts and at such times, as may be determined by a majority vote of the Board of Directors and ratified by a majority vote of a quorum of the stockholders as defined under Article II, Section 9. Annual dues of thirty dollars (\$30), subject to change by a vote of a majority of the members present at the Annual Meeting, are due and payable each year on or before the Annual Meeting. Payment of annual dues/assessments are to be made to "Sleeper Island Association" and submitted to the Treasurer of the Association.

5. Social and Recreational Facilities. Each active member of this Association shall be entitled, for himself and his family and guests, to use in accord with such rules and regulations as may be adopted by the Board of Directors of the SIA, and upon the payment of such charges and assessments as may be determined by the Board of Directors and /or membership, such facilities as may be constructed, provided or maintained by the SIA. Any use of SIA property outside of the stated purpose provided in both the Preamble of these By-Laws and this paragraph, must be presented to the Board of Directors and approved by the membership as provided in Article II, Section 9.

6. Septic System Requirements Inasmuch as a buffer zone of one hundred (100) feet was established around the perimeter of SIA property for the purpose of enabling owners of shore-front lots who currently hold easements to the property for septic systems, and to provide for other shore-front owners who are active members of the Association to access land behind their respective lots for septic systems as needed, each active member seeking an easement on SIA property for such purpose must submit his/her request in writing to the Board of Directors, along with a map showing the desired location of the leach field to remain within the 100' buffer zone behind the member's shore-front lot, and to show that their plan minimizes infringement environmentally and esthetically on the SIA property. All such requests must be presented to the Board of Directors of SIA and approved by a permanent committee to finalize the plan. This committee shall consist of no less than three (3) and no more than five (5) knowledgeable active members, elected for terms of no more than five (5) years, (terms being staggered in 2 year intervals in the first election,) by active members at the Annual meeting. Votes by the entire active membership shall only occur if agreement cannot be reached between the committee and requester. Such approval will be contingent upon the member's payment of any costs established for such an easement as determined by the membership prior to the commencement of any work. In determining assessed costs, no charges will be levied to provide a profit and/or toll accruing to SIA. If use of SIA property is needed for access to install or repair a Septic System under this section, such a request will be granted if the active member's written request to the Board provides assurances (which may require an escrow account or bond,) that any damage to SIA property will be restored to its' original state at the requester's expense.

7. Lien on Capital Stock. The SIA shall have a lien on the share of each shareholder for unpaid dues/assessments levied, and for all other indebtedness of such shareholder to the Association, whether otherwise secured or not, enforceable in such manner as the By-Laws and by vote of the membership of this Association may be provided. By a vote of the majority of active members of SIA, some or all of liens or portions of liens and assessments may be forgiven for members, provided such amnesty shall be applied to all such members equitably.

8. Fiscal Year. The fiscal year of the Corporation shall be from January 1 to December 31.

Article VI. Amendments.

1. These By-Laws may be altered, amended or repealed at any meeting of the SIA by a vote of two-thirds (2/3) of all the shares issued and outstanding to active members, represented either in person or by proxy, provided that the proposed action is inserted in the notice of such meeting, in accordance with Article II, Section 6.