

AMENDED AND RESTATED BYLAWS
OF
THE HAMLET HOMEOWNERS' ASSOCIATION, INC.

ARTICLE 1
Plan of Lot Ownership

Section 1.1. **Applicability.** These Amended and Restated Bylaws provide for the governance of The Planned Community for The Hamlet (the "Common Interest Community") located in Williston, Vermont, and being more particularly described in the Declaration of Planned Community for The Hamlet dated May 30, 2008 and recorded in Volume 428 at Pages 308-348 of the Town of Williston Land, as amended (the "Declaration"). To the extent that there is a conflict between these Bylaws and the Act (defined below), the Act shall control.

Section 1.2. **Compliance.** Every Lot Owner and all those entitled to occupy a Lot shall comply with these Bylaws.

Section 1.3. **Office.** The office of the Common Interest Community, the Association, and the Executive Board shall be located at the Property or at such other place as may be designated from time to time by the Executive Board.

Section 1.4. **Definitions.** Each capitalized term used herein without definition shall have the meanings specified in the Declaration, to which these Bylaws are attached, as it may be amended from time to time, or as provided in the Vermont Common Interest Ownership Act (the "Act").

ARTICLE 2
Association

Section 2.1. **Composition; Responsibility.** The Hamlet Homeowners' Association, Inc. (the "Association") shall consist of all Lot Owners acting as a group. The Association shall have the responsibility for administering the Common Interest Community, establishing the means and methods of collecting Assessments for Common Expenses, arranging for the management of the Common Interest Community, and performing all of the other acts that may be required or permitted to be performed by the Association, by the Act, and the Declaration. Except as to those matters which the Act specifically requires to be performed by the vote of the Association, the foregoing shall be performed by the Executive Board or its designee.

Section 2.2. **Annual Meetings.** An annual meeting of the Association shall be held each year at a time to be determined by the Executive Board. At such annual meetings the Executive Board for the next year shall be elected. If, in any year, an annual meeting is not held, a special meeting may be held in lieu thereof, and any elections or business transacted any annual meeting.

Section 2.3. **Special Meetings.** Special meetings of the members may be called at any time for the purpose of considering matters which, by the terms of the Declaration require the approval of all or some of the members, or for any other reasonable purpose. Said meetings shall be called by written notice, signed by the President or a majority of the Executive Board, or by the Lot Owners having twenty percent (20%) of the total votes in the Association.

Section 2.4. **Place of Meetings.** Meetings of the Association shall be held at the principal office of the Association or at such other suitable place convenient to the Lot Owners as may be designated by

the Executive Board.

Section 2.5. **Notice of Meetings.**

- (a) If the Association does not notify Lot Owners of a special meeting within 30 days after the requisite number or percentage of Lot Owners request the Secretary to do so, the requesting members may directly notify all the Lot Owners of the meeting. Only matters described in the meeting notice required by Section 2.5(b) may be considered at a special meeting.
- (b) The Association shall notify Lot Owners of the time, date, and place of each annual and special Lot Owners meeting not less than 10 days or more than 60 days before the meeting date. Notice may be by any means described in Section 3-121 of the Act. The notice of any meeting must state the time, date, and place of the meeting and the items on the agenda, including:
 - (i) a statement of the general nature of any proposed amendment to the Declaration or Bylaws;
 - (ii) any budget changes; and
 - (iii) any proposal to remove an officer or member of the Executive Board.
- (c) Any Lot Owner may at any time, in writing, waive notice of any meeting of the Association, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Lot Owner at any meeting of the Association without objection to the notice of the meeting shall constitute a waiver of notice by him or her of the time, place and purpose of such meeting. The minimum time to give notice required by Section 2.5(b) may be reduced or waived for a meeting called to deal with an emergency.
- (d) Meetings of Lot Owners may be conducted by telephonic, video, or other conferencing process as long as:
 - (i) the meeting notice states the conferencing process to be used and provides information explaining how Lot Owners may participate in the conference directly or by meeting at a central location or conference connection; and
 - (ii) the process provides all Lot Owners the opportunity to hear or perceive the discussion and to comment as provided in Section 2.10.

Section 2.6. **Method of Providing Notice.**

- (a) The Association shall deliver any notice required to be given by the Association under the Act to any mailing or electronic mail address a Lot Owner designates. Otherwise, the Association may deliver notices by:
 - (i) hand delivery to each Lot Owner;
 - (ii) hand delivery, United States mail postage paid, or commercially reasonable delivery service to the mailing address of each Lot;

- (iii) electronic means, if the Lot Owner has given the Association an electronic address; or
 - (iv) any other method reasonably calculated to provide notice to the Lot Owner.
- (b) The ineffectiveness of a good faith effort to deliver notice by an authorized means does not invalidate action taken at or without a meeting.

Section 2.7. **Adjournment of Meetings.** If at any meeting of the Association a quorum is not present, Lot Owners having a majority of the votes who are present at such meeting in person or by proxy may adjourn the meeting to a time not less than 48 hours after the time the original meeting was called.

Section 2.8. **Voting.**

- (a) Lot Owners shall be entitled to vote on Association matters as provided in the Declaration and the Act. Lot Owners shall have one (1) vote weighted in accordance with their undivided Allocated Interest in the Common Elements pertaining to their Lot as allocated in the Declaration, and joint owners of a Lot shall vote their one (1) vote collectively through one owner identified as the "voting member" in a writing filed with the Secretary.
- (b) Lot Owners may vote at a meeting in person, by absentee ballot pursuant to Section 2.8(c)(iv), by a proxy pursuant to Section 2.8(d) or, when a vote is conducted without a meeting, by electronic or paper ballot pursuant to Section 2.8(e).
- (c) At a meeting of Lot Owners, the following requirements apply:
 - (i) Lot owners who are present in person may vote by voice vote, show of hands, standing, or any other method for determining the votes of Lot Owners, as designated by the person presiding at the meeting.
 - (ii) If only one of multiple owners of a Lot is present, that owner is entitled to cast all the votes allocated to that Lot. If more than one of the owners are present, the votes allocated to that Lot may be cast only in accordance with the agreement of a majority in interest of the owners, unless the Declaration expressly provides otherwise. There is majority agreement if any one of the owners casts the votes allocated to the Lot without protest being made promptly to the person presiding over the meeting by any of the other owners of the Lot.
 - (iii) Unless a greater number or fraction of the votes in the Association is required by this chapter or the Declaration, a majority of the votes cast determines the outcome of any action of the Association.
 - (iv) A Lot Owner may vote by absentee ballot without being present at the meeting. The Association promptly shall deliver an absentee ballot to an owner that requests it if the request is made at least three (3) days before the scheduled meeting. Votes cast by absentee ballot must be included in the tally of a vote taken at that meeting.
 - (v) When a Lot Owner votes by absentee ballot, the Association must be able to verify that the ballot is cast by the Lot Owner having the right to do so.

- (d) The following requirements apply with respect to proxy voting:
- (i) Votes allocated to a Lot may be cast pursuant to a directed or undirected proxy duly executed by a Lot Owner.
 - (ii) If a Lot is owned by more than one person, each owner of the Lot may vote or register protest to the casting of votes by the other owners of the Lot through a duly executed proxy.
 - (iii) A Lot Owner may revoke a proxy given pursuant to this Section only by actual notice of revocation to the person presiding over a meeting of the Association.
 - (iv) A proxy is void if it is not dated or purports to be revocable without notice.
 - (v) A proxy is valid only for the meeting at which it is cast and any recessed session of that meeting.
 - (vi) A person may not cast undirected proxies representing more than 15 percent of the votes in the Association.
- (e) An Association may conduct a vote without a meeting. In that event, the following requirements apply:
- (i) The Association shall notify the Lot Owners that the vote will be taken by ballot.
 - (ii) The Association shall deliver a paper or electronic ballot to every Lot Owner entitled to vote on the matter.
 - (iii) The ballot must set forth each proposed action and provide an opportunity to vote for or against the action.
 - (iv) When the Association delivers the ballots, it shall also:
 - (A) indicate the number of responses needed to meet the quorum requirements;
 - (B) state the percent of votes necessary to approve each matter other than election of directors;
 - (C) specify the time and date by which a ballot must be delivered to the Association to be counted, which time and date may not be fewer than three (3) days after the date the Association delivers the ballot; and
 - (D) describe the time, date, and manner by which a Lot Owner wishing to deliver information to all Lot Owners regarding the subject of the vote may do so.
 - (v) A ballot is not revoked after delivery to the Association by death or disability or attempted revocation by the person that cast that vote.

- (vi) Approval by ballot pursuant to this subsection is valid only if the number of votes cast by ballot equals or exceeds the quorum required to be present at a meeting authorizing the action.
- (f) Any action by the Lot Owners required or permitted to be taken at any meeting may be taken without a meeting if all of the Lot Owners entitled to vote on such matter(s) shall individually or collectively consent in writing to such action. Any such written consent shall be filed with the minutes of the proceedings of the Lot Owners.

Section 2.9. **Quorum.** A quorum is present throughout any meeting of the Lot Owners if persons entitled to cast twenty percent (20%) of the votes in the Association: (a) are present in person or by proxy at the beginning of the meeting; (b) have cast absentee ballots solicited in accordance with these Bylaws which have been delivered to the Secretary in a timely manner; or (c) are present by any combination of subdivisions (a) and (b) of this Section.

Section 2.10. **Conduct of Meetings.** The President shall preside over all meetings of the Association. The Secretary shall keep the minutes of the meetings and shall record in a minute book all resolutions adopted at the meetings as well as keep a record of all transactions occurring at the meetings. Lot Owners must be given a reasonable opportunity at any meeting to comment regarding any matter affecting the Common Interest Community or the Association. Except as otherwise provided in these Bylaws, meetings of the Association shall be conducted in accordance with the most recent edition of Roberts' Rules of Order Newly Revised.

ARTICLE 3 **Executive Board**

Section 3.1. **Number and Qualifications.** The affairs of the Association shall be governed by an Executive Board composed of not less than three (3) persons. The initial Executive Board shall be appointed by the Declarant and shall hold office for the period of time specified in the Declaration. Except for the initial Executive Board and except in the case of the Declarant, all Board members shall be Lot Owners. The replacement Executive Board shall be elected to staggered terms, so that one-third of the directorships shall become vacant each year. An officer, director, manager, member or authorized or agent of a corporate or limited liability company Lot Owner, or general partner of a partnership, or the beneficiary of a trust shall be deemed to be the Lot Owner for this purpose. Members of the Executive Board are sometimes referred to herein as "Directors."

Section 3.2. **Powers and Duties.** The Executive Board shall have all of the powers and duties necessary for the administration of the affairs of the Association and may do all such acts and things as are not prohibited by the Act, including the following:

- (a) Prepare an annual budget, in which there shall be established the Assessment for each Lot Owner for the Common Expenses of the Common Interest Community (the "Common Expenses"). Assessments will be charged to the Owners of each Lot according to their Allocated Interest in the Common Elements.
- (b) Make Assessments against Lot Owners to defray the Common Expenses of the Common Interest Community, establish the means and methods of collecting such Assessments from the Lot Owners including reasonable discounts, late fees, interest, penalties, and other costs of the collection including attorneys' fees, and establish the period of the installment payment of the Assessment for Common Expenses. Unless otherwise determined by the Executive Board, the Assessments against each Lot Owner for each

Lot Owner's proportionate share of the Common Expenses shall be payable in equal monthly installments, each such installment to be due and payable in advance on the first day of each month for such month.

- (c) Provide for the operation, care, upkeep and maintenance of all of the Property and services of the Common Interest Community.
- (d) Designate, hire and dismiss the personnel necessary for the maintenance, operation, repair and replacement of the Common Elements, provide services for the Property and, where appropriate, provide for the compensation of such personnel and for the purchase of equipment, supplies and materials to be used by such personnel in the performance of their duties (which supplies, equipment and materials shall be deemed part of the Property).
- (e) Collect the Assessments against the Lot Owners, deposit the proceeds thereof in bank depositories designated by the Executive Board, and use the proceeds to carry out the administration of the Property.
- (f) Make and amend the Rules and Regulations applicable to Lot Owners and occupants of Lots.
- (g) Open bank accounts on behalf of the Association and designate the signatories thereon.
- (h) Make, or contract for the making of, repairs, additions and improvements to or alterations of the Common Elements, and for repairs to and restoration of the Common Elements, in accordance with these Bylaws, after damage or destruction by fire or other casualty or as a result of condemnation or eminent domain proceedings.
- (i) Enforce by legal means the provisions of the Declaration, these Bylaws and the Rules and Regulations and act on behalf of the Lot Owners with respect to all matters as provided for in the Declaration, the Act, these Bylaws, and applicable law. The Executive Board may determine whether to take enforcement action by exercising the Association's power to impose sanctions or commencing an action for a violation of the Declaration, Bylaws, and rules, including whether to compromise any claim for unpaid Assessments or other claim made by or against it. The Executive Board does not have a duty to take enforcement action if it determines that, under the facts and circumstances presented:
 - (i) the Association's legal position does not justify taking any or further enforcement action;
 - (ii) the covenant, restriction, or rule being enforced is or is likely to be construed as inconsistent with law;
 - (iii) although a violation may exist or may have occurred, it is not so material as to be objectionable to a reasonable person or to justify expending the Association's resources; or
 - (iv) it is not in the Association's best interests to pursue an enforcement action.

The Executive Board's decision under this subsection not to pursue enforcement under one set of circumstances does not prevent the Executive Board from taking enforcement

action under another set of circumstances, but the Executive Board may not be arbitrary or capricious in taking enforcement action.

- (j) Obtain and carry fidelity insurance and insurance against casualties and liabilities, as provided in the Declaration, the Act and in these Bylaws, pay the premiums therefor and adjust and settle any claim thereunder.
- (k) Pay the cost of all authorized services rendered to the Association and not billed to Lot Owners of individual Lots or otherwise provided for in these Bylaws.
- (l) Keep books with detailed accounts in chronological order of the receipts and expenditures affecting the Property, and the administration of the Association, the Common Elements and any other expenses incurred. Such books and vouchers accrediting the entries thereupon shall be available for examination by the Lot Owners, their duly authorized agents or attorneys, and the holders, insurers, and grantors of first mortgages, during general business hours on working days at the times and in the manner set and announced by the Executive Board for the general knowledge of the Lot Owners. All books and records shall be kept in accordance with good accounting practices.
- (m) Borrow money on behalf of the Association when required in connection with any one instance relating to the operation, care, upkeep and maintenance of the Association; provided, however, that the consent of at least two-thirds of the votes of Lot Owners, obtained at a meeting duly called and held for such purpose in accordance with the provisions of these Bylaws, shall be required to borrow any sum which would cause the total debt of the Association to exceed Five Thousand Dollars (\$5,000.00).
- (n) Acquire, hold and dispose of Lots and mortgage the same if such expenditures and hypothecations are included in the budget adopted by the Association.
- (o) Do such other things and acts permitted by and not inconsistent with the Act, the Declaration or these Bylaws which the Executive Board may be authorized to do by a resolution of the Association, and exercise all other powers that may be exercised in this state by organizations of the same type as the Association.
- (p) Suspend any right or privilege of a Lot Owner that fails to pay an Assessment, provided that it may not: (i) deny a Lot Owner or other occupant access to the owner's Lot; (ii) suspend a Lot Owner's right to vote; (iii) prevent a Lot Owner from seeking election as a director or officer of the Association; or (iv) withhold services provided to a Lot or a Lot Owner by the Association if the effect of withholding the service would be to endanger the health, safety, or property of any person.
- (q) Institute litigation or an arbitration, mediation, or administrative proceeding against any person, subject to and in accordance with the provisions of the Act, the Declaration, these Bylaws and other applicable law, in addition the Executive Board promptly shall provide notice to the Lot Owners of any legal proceeding in which the Association is a party other than proceedings involving enforcement of rules or to recover unpaid assessments or other sums due the Association.
- (r) The Executive Board shall establish a reasonable method for Lot Owners to communicate among themselves and with the Executive Board on matters concerning the Association.

Section 3.3. **Managing Agent.** The Executive Board may employ for the Common Interest Community a "Managing Agent" at a compensation to be established by the Executive Board, provided such compensation be in an amount and on terms as would be negotiated between unrelated third parties for similar projects. Any contract established by the Declarant with a "Managing Agent" or similar agreement may be terminated at the option of the Executive Board two years after the Declarant surrenders control of the Association on not more than ninety (90) days' notice; provided, however, that any such agreement that is unconscionable or was not bona fide may be terminated on ninety (90) days notice before the expiration of the two year period.

Section 3.4. **Election and Term of Office.** At each annual meeting of the Association, after transfer of control of the Association by the Declarant, the Association shall elect the Directors to serve for the next term. The term of office for Directors shall be for one (1) year unless other terms are established by the Association at any annual meeting. The members of the Executive Board shall hold office until their respective successors shall be elected by the Association.

Section 3.5. **Removal or Resignation of Members of the Executive Board.**

- (a) Notwithstanding any provision of the Declaration or Bylaws to the contrary, Lot Owners present in person, by proxy, or by absentee ballot at any meeting of the Lot Owners at which a quorum is present may remove any member of the Executive Board, with or without cause, if the number of votes cast in favor of removal exceeds the number of votes cast in opposition to removal, but:
 - (i) a member appointed by the Declarant may not be removed by a Lot Owner vote during the period of Declarant control;
 - (ii) a member appointed under Section 3-103(g) of the Act may be removed only by the person that appointed that member; and
 - (iii) the Lot Owners may not consider whether to remove a member of the Executive Board or an officer elected by the Lot Owners at a meeting of the Lot Owners unless that subject was listed in the notice of the meeting.
- (b) Any member of the Executive Board whose removal has been proposed by the Lot Owners shall be given at least ten (10) days' notice of the time of the meeting. At any meeting at which a vote to remove a member of the Executive Board is to be taken, the member being considered for removal must have a reasonable opportunity to speak before the vote.
- (c) Following a vote for removal of a member of the Executive Board, a successor may then and there be elected to fill the vacancy thus created.
- (d) A member of the Executive Board may resign at any time and, except for the initial Directors appointed by the Declarant, shall be deemed to have resigned upon the sale of his or her Lot.

Section 3.6. **Organization Meeting.** The first meeting of the Executive Board shall be held at such time and place as shall be fixed by the Declarant.

Section 3.7. **Regular Meetings.** Regular meetings of the Executive Board may be held at such time and place as shall be determined from time to time by a majority of the Directors, but such a meeting

shall be held at least following each meeting of the Association without notice. Notice of regular meetings of the Executive Board shall be given to each Director, in the manner as from time to time determined by the Executive Board.

Section 3.8. **Special Meetings.** Special meetings of the Executive Board may be called by the President on three (3) days' written notice to each Director, given by mail, telegraph, facsimile, or hand delivery, which notice shall state the time, place and purpose of the meeting. Special meetings of the Executive Board shall be called by the President or Secretary in like manner and on like notice on the written request of any Director.

Section 3.9. **Meeting Requirements.** The following requirements apply to meetings of the Executive Board and committees of the Association authorized to act for the Association:

- (a) Meetings shall be open to the Lot Owners except during executive sessions. The Executive Board and those committees may hold an executive session only during a regular or special meeting of the Executive Board or a committee. No final vote or action may be taken during an executive session. An executive session may be held only to:
 - (i) consult with the Association's attorney concerning legal matters;
 - (ii) discuss existing or potential litigation or mediation, arbitration, or administrative proceedings;
 - (iii) discuss labor or personnel matters;
 - (iv) discuss contracts, leases, and other commercial transactions to purchase or provide goods or services currently being negotiated, including the review of bids or proposals, if premature general knowledge of those matters would place the Association at a disadvantage; or
 - (v) prevent public knowledge of the matter to be discussed if the Executive Board or committee determines that public knowledge would violate the privacy of any person.
- (b) For purposes of this Section 3.9, a gathering of Executive Board members at which the Executive Board members do not conduct Association business is not a meeting of the Executive Board. The Executive Board and its members may not use incidental or social gatherings of board members or any other method to evade the open meeting requirements of this Section 3.9.
- (c) During the period of Declarant control, the Executive Board shall meet at least four (4) times a year. At least one of those meetings must be held at the Common Interest Community or at a place convenient to the community. After termination of the period of Declarant control, all Executive Board meetings must be at the Common Interest Community or at a place convenient to the Common Interest Community as determined by the Executive Board.
- (d) At each Executive Board meeting, the Executive Board shall provide a reasonable opportunity for Lot Owners to comment regarding any matter affecting the Common Interest Community and the Association.

- (e) Unless the meeting is included in a schedule given to the Lot Owners or the meeting is called to deal with an emergency, the Secretary or President shall give notice of each Executive Board meeting to each Executive Board member and to the Lot Owners. The notice must be given at least 10 days before the meeting and must state the time, date, place, and agenda of the meeting.
- (f) If any materials are distributed to the Executive Board before the meeting, the Executive Board at the same time shall make copies of those materials reasonably available to Lot Owners, including without limitation on a message board, electronic message board or website, except that the Executive Board need not make available copies of unapproved minutes or of materials that are to be considered in executive session.
- (g) The Executive Board may meet by telephonic, video, or other conferencing process if:
 - (i) the meeting notice states the conferencing process to be used and provides information explaining how Lot Owners may participate in the conference directly or by meeting at a central location or conference connection; and
 - (ii) the process provides all Lot Owners the opportunity to hear or perceive the discussion and to comment as provided in Section 2.10.
- (h) After termination of the period of Declarant control, Lot Owners may amend the Bylaws to vary the procedures for meetings described in Section 3.9(g).
- (i) Instead of meeting, the Executive Board may act by unanimous consent as documented in a record authenticated by all its members. The Secretary promptly shall give notice to all Lot Owners of any action taken by unanimous consent. After termination of the period of Declarant control, the Executive Board may act by unanimous consent only to undertake ministerial actions or to implement actions previously taken at a meeting of the Executive Board.
- (j) Even if an action by the Executive Board is not in compliance with this Section 3.9, it is valid unless set aside by a court. A challenge to the validity of an action of the Executive Board for failure to comply with this Section 3.9 may not be brought more than sixty (60) days after the minutes of the Executive Board of the meeting at which the action was taken are approved or the record of that action is distributed to Lot Owners, whichever is later.

Section 3.10. **Waiver of Notice.** Any Director may at any time, in writing, waive notice of any meeting of the Executive Board, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meeting of the Executive Board shall constitute a waiver of notice by him of the time, place and purpose of such meeting. If all Directors are present at any meeting of the Executive Board, no notice shall be required and any business may be transacted at such meeting.

Section 3.11. **Quorum.** A quorum of the Executive Board is present for purposes of determining the validity of any action taken at a meeting of the Executive Board only if individuals entitled to cast fifty percent (50%) of the votes on the Board are present at the time a vote regarding that action is taken. If a quorum is present when a vote is taken, the affirmative vote of a majority of the Board members present is the act of the Executive Board unless a greater vote is required by the Declaration or these Bylaws.

Section 3.12. **Compensation.** No Director shall receive any compensation from the Association for acting as such.

Section 3.13. **Liability of the Executive Board, Officers, Lot Owners, and Association.**

- (a) The officers and members of the Executive Board shall not be liable to the Association for any mistake of judgment, negligence or otherwise, except for their own individual willful misconduct or bad faith. The Association shall indemnify and hold harmless each of the officers and Directors from and against all expenses and liabilities to others arising out of claims made against the officers or the Executive Board on account of their status as officers and Directors unless any such contract shall have been made in bad faith or contrary to the provisions of the Act, the Declaration or these Bylaws.
- (b) Neither the Association nor the Executive Board shall be liable for any failure of utility or other services to be obtained by the Association or paid for as a Common Expense, or for injury or damage to person or property caused by the elements or by any Lot Owner or any other person, or resulting from electricity, water, snow, or ice which may leak or flow from any portion of the Common Elements, or from any pipe, drain, conduit, appliance, or equipment. The Association shall not be liable to any Lot Owner for loss or damage, by theft, or otherwise, of articles which may be stored upon any of the Common Elements. No diminution or abatement of any assessments, as herein elsewhere provided, shall be claimed or allowed for inconvenience or discomfort arising from the making of repairs or improvements to the Common Elements or from any action taken by the Association to comply with any law, ordinance or with the order or directive of any municipal or other governmental authority.

ARTICLE 4
Officers

Section 4.1. **Designation.** The principal officers of the Association shall be the President, the Vice President, the Secretary and the Treasurer, all of whom shall be elected by the Executive Board. The Executive Board may appoint an assistant treasurer, an assistant secretary, and such other officers as in its judgment may be necessary. The President shall be a member of the Executive Board. A person who is a member of the Executive Board may be an officer. The President and the Secretary may not be the same person.

Section 4.2. **Election of Officers.** The officers of the Association shall be elected annually by the Executive Board at the organization meeting of each new Executive Board and shall hold office at the pleasure of the Executive Board.

Section 4.3. **Removal of Officers.**

- (a) Notwithstanding any provision of the Declaration or Bylaws to the contrary, Lot Owners present in person, by proxy, or by absentee ballot at any meeting of the Lot Owners at which a quorum is present may remove any officer elected by the Lot Owners, with or without cause, if the number of votes cast in favor of removal exceeds the number of votes cast in opposition to removal, but:
 - (i) an officer appointed by the Declarant may not be removed by a Lot Owner vote during the period of Declarant control;

- (ii) an officer appointed under Section 3-103(g) of the Act may be removed only by the person that appointed that member; and
 - (iii) the Lot Owners may not consider whether to remove an officer elected by the Lot Owners at a meeting of the Lot Owners unless that subject was listed in the notice of the meeting.
- (b) At any meeting at which a vote to remove an officer is to be taken, the officer being considered for removal must have a reasonable opportunity to speak before the vote.
 - (c) A successor may be elected at any regular meeting of the Executive Board or at any special meeting of the Executive Board called for such purpose, including the meeting at which the officer was removed.

Section 4.4. **President.** The President shall be the chief executive officer of the Association, preside at all meetings of the Association and of the Executive Board, and have all of the general powers and duties which are incident to the office of president generally including, without limitation, the power to appoint committees from among the Lot Owners from time to time as the President may in his discretion decide is appropriate to assist in the conduct of the affairs of the Association.

Section 4.5. **Vice President.** The Vice President shall take the place of the President and perform the duties of the President whenever the President shall be absent or unable to act. If neither the President nor the Vice President is able to act, the Executive Board shall appoint some other member of the Executive Board to act in the place of the President, on an interim basis. The Vice President shall also perform such other duties as shall from time to time be imposed upon him by the Executive Board or by the President.

Section 4.6. **Secretary.** The Secretary shall keep the minutes of all meetings of the Association and of the Executive Board; have charge of such books and papers as the Executive Board may direct; maintain a register setting forth the place to which all notices to Lot Owners and others shall be delivered; and, in general, perform all the duties incident to the office of Secretary.

Section 4.7. **Treasurer.** The Treasurer shall have the responsibility for Association funds and securities and shall be responsible for keeping full and accurate financial records and books of account showing all receipts and disbursements, and for the preparation of all required financial data; make disbursements on behalf of the Association upon consent of the Executive Board and shall be responsible for the deposit of all monies and other valuable effects in the name of the Executive Board, the Association or the Managing Agent, in such depositories as may from time to time be designated by the Executive Board; and, in general, perform all the duties incident to the office of Treasurer.

Section 4.8. **Execution of Documents.** All agreements, contracts, deeds, leases, checks and other instruments of the Association for expenditures or obligations in excess of Five Hundred Dollars (\$500.00), and all checks drawn upon reserve accounts shall be executed by any two (2) persons designated by the Executive Board. All such instruments for expenditures or obligations of Five Hundred Dollars (\$500.00) or less, except from reserve accounts, may be executed by the Treasurer or any one person designated by the Executive Board.

Section 4.9. **Compensation of Officers.** No officer who is also a Director shall receive any compensation from the Association for acting as such officer.

Section 4.10. **Bonds.** The Treasurer, and such other officers as the Executive Board deem

necessary, shall furnish bonds for the faithful performance of their duties, in such a manner and with such sureties, as may be fixed and required by the Executive Board.

ARTICLE 5
Operation of Common Interest Community

Section 5.1. **Determination of Common Expenses and Assessments Against Lot Owners.**

- (a) **Fiscal Year.** The fiscal year of the Association shall be the calendar year unless otherwise determined by the Executive Board.
- (b) **Preparation and Approval of Budget.**
- (i) On or before forty-five (45) days preceding the end of the fiscal year, the Executive Board shall adopt a budget for the Association containing an estimate of the total amount considered necessary to pay the cost of maintenance, management, operation, repair and replacement of the Common Elements and those parts of the Lots and other properties as to which it is the responsibility of the Executive Board to maintain, repair and replace, and the cost of wages, materials, insurance premiums, services, supplies and other expenses that may be declared to be Common Expenses by the Act, the Declaration, the Bylaws, or a resolution of the Association and which will be required during the ensuing fiscal year for the administration, operation, maintenance and repair of the Property and the rendering to the Lot Owners of all related services.
- (ii) Such budget shall also include such reasonable amounts as the Executive Board considers necessary to provide working capital, a general operating reserve, and reserves for contingencies and replacements. The Executive Board shall send to each Lot Owner prior to the end of the fiscal year, a copy of the budget for the next fiscal year in a reasonable itemized form which sets forth the amount of the Common Expenses and any special assessments payable by each Lot Owner. Such budget shall constitute the basis for determining each Lot Owner's Assessment for the Common Expenses of the Association.
- (iii) The budget shall be ratified by the Lot Owners in accordance with the terms of the Declaration and the Act, as follows: Not later than thirty (30) days after adoption of a proposed budget, the Executive Board shall provide to all the Lot Owners a summary of the budget, including any reserves, and a statement of the basis on which any reserves are calculated and funded. Simultaneously, the Executive Board shall set a date not less than ten (10) days or more than sixty (60) days after providing the summary for a meeting of the Lot Owners to consider ratification of the budget. Unless at that meeting a majority of all Lot Owners or any larger number specified in the Declaration reject the budget, the budget is ratified, whether or not a quorum is present. If a proposed budget is rejected, the budget last ratified by the Lot Owners continues until Lot Owners ratify a subsequent budget.
- (c) **Assessment of Common Expenses.** The total amount of the estimated funds required from Assessments for the operation of the Common Interest Community set forth in the budget adopted by the Executive Board shall be assessed against each Lot Owner in proportion to the respective Allocated Interest of each Lot. The Assessment against each

Lot shall begin on the date specified in the Declaration.

- (d) Excess Funds. Any funds collected during any fiscal year in excess of actual expenditures for that fiscal year shall be either applied to succeeding years' expenses or refunded, pro rata, to the Lot Owners.
- (e) Reserves. The Executive Board shall include in the budget and build up and maintain reasonable reserves for working capital, operations, contingencies and replacements as necessary to meet secondary mortgage market requirements. The proportionate interest of any Lot Owner in any replacement reserve shall be appurtenant to the Lot and shall not be separately withdrawn, assigned or transferred. If the reserve is inadequate for any reason, the Board may levy a further Assessment, payable as the Board determines necessary at any time. The Board will specifically earmark such capital reserve fund for stated capital purposes and keep special assessments in a separate bank account. The Board shall keep documentation of and treat all such funds as capital items on the Association books.
- (f) Working Capital Fund. The Board shall establish a working capital fund which shall be used for the start-up costs of the Common Interest Community, including the purchase of cleaning and maintenance equipment, furniture and fixtures beyond that supplied by the Declarant and any initial insurance fees. Additionally, start-up costs shall include extraordinary expenditures, temporary operating deficits due to seasonal fluctuations, etc.
- (g) Effect of Failure to Prepare or Adopt Budget. The failure or delay of the Executive Board to prepare or adopt a budget for any fiscal year shall not constitute a waiver or release in any manner of a Lot Owner's obligation to pay his or her allocable share of the Common Expenses as herein provided whenever the same shall be determined and, in the absence of any annual budget or adjusted budget, each Lot Owner shall continue to pay each monthly installment at the monthly rate established for the previous fiscal year until notice of the monthly payment which is due.
- (h) Availability of Financial Statements and Project Documents. Upon the receipt of a written request by the Association from a Lot Owner or an Institutional Mortgagee, the Association shall make the most recent regularly prepared income and expense statement of the Association, the current operating budget of the Association and all project related documents, including the Declaration, Bylaws, Rules and Regulations, books and records of the Association available for inspection during regular business hours at the Association's office.
- (i) Special Assessments. The Executive Board, at any time, may propose a special assessment. Except as otherwise provided below, the assessment is effective only if the Executive Board follows the procedures for ratification of a budget described in Section 5.1(b) and the Lot Owners do not reject the proposed assessment. If the Executive Board determines by a two-thirds vote that a special assessment is necessary to respond to an emergency:
 - (i) the special assessment becomes effective immediately in accordance with the terms of the vote;
 - (ii) notice of the emergency assessment must be provided promptly to all Lot Owners; and

- (iii) the Executive Board may spend the funds paid on account of the emergency assessment only for the purposes described in the vote.

Section 5.2. **Payment of Common Expenses.** No Lot Owner may exempt himself/herself from liability for his/her contribution toward Common Expenses by waiver of the use or enjoyment of any of the Common Elements or by abandonment of his or her Lot. All accounts not paid when due, including interest and costs, and reasonable attorneys' fees, shall be a lien against the Lot Owner's Lot. Prior to or at the time of any conveyance of a Lot by a Lot Owner, all liens and unpaid Assessments shall be paid in full and discharged.

Section 5.3. **Collection of Assessments.** The Executive Board, or the Managing Agent at the request of the Executive Board, shall take prompt action to collect any Assessments for Common Expenses due from any Lot Owner which remain unpaid for more than thirty (30) days from the due date for payment thereof. Any assessment, or installment thereof, not paid within five (5) days after the due date shall accrue a late charge in such reasonable amount as a percentage of the overdue assessment or installment as the Executive Board shall establish from time to time. Any Lot Owner who fails to make such payment within such period shall also be assessed the costs incurred by the Association to collect such unpaid assessments. All such assessments for Common Expenses, including interest, penalties, attorneys' fees, and costs shall become on the date such assessments are due, a lien against the Lot so assessed, and shall also be the personal obligation of the Lot Owner at the time the Assessments become due.

Section 5.4. **Statements.**

- (a) **Statement of Common Expenses.** Within ten (10) days after a request by a Lot Owner, the Executive Board shall provide the Lot Owner with a written statement of all unpaid Assessments for Common Expenses due from the Lot Owner. The Executive Board may impose a reasonable charge for the preparation of such statement.
- (b) **Statement of Default.** The Executive Board will make a reasonable effort to notify any mortgagee of any Lot, upon request, of any default in the performance by the Lot Owner of any obligation pursuant to the Declaration, the Bylaws and the Rules and Regulations, which is not cured within sixty (60) days of notice to each Lot Owner of such default.

Section 5.5. **Actions to Foreclose a Lien.**

- (a) The Association may not commence an action to foreclose a lien on a Lot unless:
 - (i) the Lot Owner, at the time the action is commenced, owes a sum equal to at least three months of Common Expense assessments based on the periodic budget last adopted by the Association pursuant to Section 5.1 (in accordance with Section 3-115(a) of the Act) and the Lot Owner has failed to accept or comply with a payment plan offered by the Association; and
 - (ii) the Executive Board votes to commence a foreclosure action specifically against that Lot.
- (b) Unless the parties otherwise agree, the Association shall apply any sums paid by Lot Owners that are delinquent in paying assessments in the following order:

- (i) unpaid assessments;
 - (ii) late charges;
 - (iii) reasonable attorneys' fees and costs and other reasonable collection charges; and
 - (iv) all other unpaid fees, charges, fines, penalties, interest, and late charges.
- (c) Notwithstanding Section (a) of this Section 5.5, unless sums due the Association include an unpaid assessment, a foreclosure action may not be commenced against the Lot unless the Association has a judgment against the Lot Owner for the sums due the Association and has perfected a judgment lien against the Lot.
- (d) Every aspect of a foreclosure, sale, or other disposition under this Section, including the method, advertising, time, date, place, and terms, must be commercially reasonable.

Section 5.6. **Association Rules.**

- (a) Before adopting, amending, or repealing any rule, the Executive Board shall give all Lot Owners notice of:
- (i) its intention to adopt, amend, or repeal a rule and provide the text of the rule or the proposed change; and
 - (ii) a date on which the Executive Board will act on the proposed rule or amendment after considering comments from Lot Owners.
- (b) Following adoption, amendment, or repeal of a rule, the Association shall notify the Lot Owners of its action and provide a copy of any new or revised rule.
- (c) The Association may adopt rules to establish and enforce construction and design criteria and aesthetic standards if the Declaration so provides. If the Declaration so provides, the Association shall adopt procedures for enforcement of those standards and for approval of construction applications, including a reasonable time within which the Association must act after an application is submitted and the consequences of its failure to act.
- (d) A rule regulating display of the flag of the United States must be consistent with federal law. In addition, the Association may not prohibit display on a Lot or on a Limited Common Element adjoining a Lot of the flag of this state, or signs regarding candidates for public or Association office or ballot questions, but the Association may adopt rules governing the time, place, size, number, and manner of those displays.
- (e) Lot owners may peacefully assemble on the Common Elements to consider matters related to the Common Interest Community, but the Association may adopt rules governing the time, place, and manner of those assemblies.
- (f) The Association may adopt rules that affect the use of or behavior in Lots that may be used for residential purposes, only to:
- (i) implement a provision of the Declaration;

- (ii) regulate any behavior in or occupancy of a Lot which violates the Declaration or adversely affects the use and enjoyment of other Lots or the Common Elements by other Lot Owners; or
 - (iii) restrict the leasing of residential Lots to the extent those rules are reasonably designed to meet underwriting requirements of institutional lenders that regularly make loans secured by first mortgages on Lots in Common Interest Communities or regularly purchase those mortgages; provided, however, that any rule restricting leasing shall contain reasonable provisions to protect or grandfather any leasing permitted before the adoption of the rule.
- (g) The Association's internal business operating procedures need not be adopted as rules.
- (h) Every rule must be reasonable.

Section 5.7. **Required Records.**

- (a) The Association shall retain the following:
- (i) detailed records of receipts and expenditures affecting the operation and administration of the Association and other appropriate accounting records;
 - (ii) minutes of all meetings of its Lot Owners and Executive Board other than executive sessions, a record of all actions taken by the Lot Owners or Executive Board without a meeting, and a record of all actions taken by a committee in place of the Executive Board on behalf of the Association;
 - (iii) the names of Lot Owners in a form that permits preparation of a list of the names of all owners and the addresses at which the Association communicates with them, in alphabetical order showing the number of votes each owner is entitled to cast;
 - (iv) its original or restated organizational documents, if required by law other than the Act, Bylaws and all amendments to them, and all rules currently in effect;
 - (v) all financial statements and tax returns of the Association for the past three years;
 - (vi) a list of the names and addresses of its current Executive Board members and officers;
 - (vii) its most recent annual report delivered to the Secretary of state;
 - (viii) financial and other records sufficiently detailed to enable the Association to comply with Section 4-109 of the Act;
 - (ix) copies of current contracts to which it is a party;
 - (x) records of Executive Board or committee actions to approve or deny any requests for design or architectural approval from Lot Owners; and
 - (xi) ballots, proxies, and other records related to voting by Lot Owners for one year

after the election, action, or vote to which they relate.

- (b) Subject to subsections (c) and (d) of this Section, all records retained by the Association must be available for examination and copying by a Lot Owner or the owner's authorized agent:
 - (i) during reasonable business hours or at a mutually convenient time and location; and
 - (ii) upon five (5) days' notice in a record reasonably identifying the specific records of the Association requested.
- (c) Records retained by the Association may be withheld from inspection and copying to the extent that they concern:
 - (i) personnel, salary, and medical records relating to specific individuals;
 - (ii) contracts, leases, and other commercial transactions to purchase or provide goods or services currently being negotiated;
 - (iii) existing or potential litigation or mediation, arbitration, or administrative proceedings;
 - (iv) existing or potential matters involving federal, state, or local administrative or other formal proceedings before a governmental tribunal for enforcement of the Declaration, Bylaws, or rules;
 - (v) communications with the Association's attorney which are otherwise protected by the attorney-client privilege or the attorney work-product doctrine;
 - (vi) information the disclosure of which would violate law other than the Act;
 - (vii) records of an executive session of the Executive Board; or
 - (viii) individual Lot files other than those of the requesting owner.
- (d) The Association may charge a reasonable fee for providing copies of any records under this Section and for supervising the Lot Owner's inspection.
- (e) A right to copy records under this Section includes the right to receive copies by photocopying or other means, including copies through an electronic transmission if available upon request by the Lot Owner.
- (f) The Association is not obligated to compile or synthesize information.
- (g) Information provided pursuant to this Section may not be used for commercial purposes.

ARTICLE 6
Miscellaneous

Section 6.1. **Amendments**. Except as otherwise provided herein, these Bylaws may be amended

by affirmative vote of at least sixty seven percent (67%) of the Lot Owners entitled to vote on the matter.

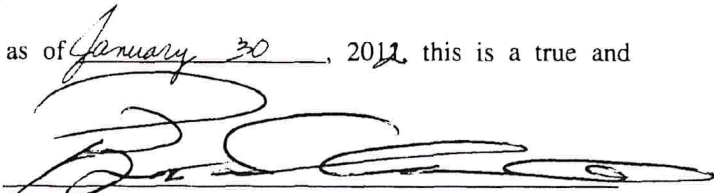
Section 6.2. **Amendments to Declaration.** Amendments to the Declaration that are required by the Act to be recorded by the Association shall be prepared, executed, recorded, and certified on behalf of the Association by any officer of the Association designated for that purpose or, in the absence of designation, by the President of the Association. Amendments to the Declaration may only be made in accordance with the Declaration and with the Act.

Section 6.3. **Notices.** All notices, demands, bills, statements or other communications shall be in writing and shall be deemed to have been duly given if delivered to a Lot Owner in accordance with Section 2.6, and if delivered to the Association or the Executive Board, if hand delivered or sent postage prepaid to the principal office of the Association or at such other address as shall be designated in writing to the Lot Owners pursuant to this paragraph.

Section 6.4. **Captions.** The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of these Bylaws or the intent of any provisions thereof.

Section 6.5. **Gender.** The use of the masculine gender in these Bylaws shall be deemed to include the feminine and neuter genders and the use of the singular shall be deemed to include the plural, and vice versa, whenever the context so requires.

The undersigned hereby certifies that as of January 30, 2011, this is a true and accurate copy of the Bylaws of the Association.

By: 
Name:
Title: Secretary

Williston, VT Town Clerk's Office
Received for Record
January 30 AD 2012
at 2 O'clock 10 minutes P M
and recorded in Book 476 Pages 720-743
Attest Jane M. [Signature] Town Clerk
44448

END OF DOCUMENT