

APPENDIX "C"

BYLAWS

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MOUNTAIN GLEN HOMEOWNERS ASSOCIATION, INC.

ARTICLE I
PLAN OF UNIT OWNERSHIP

Section 1.01. Applicability. These Bylaws provide for the governance of the Mountain Glen Condominium, a residential condominium (the "Condominium") located in Stowe, Vermont. The Condominium is more particularly described in the Amended and Restated Declaration of Mountain Glen Condominium, made the ___ day of _____, 2008, recorded in Book ____, Page ____ of the Town of Stowe Land Records.

All present and future Owners and Mortgagees of Units, and all tenants and other occupants of the Units, and their respective employees, agents, guests and invitees, and any other persons who may use the facilities of the Property in any manner, are subject to the Amended and Restated Declaration and its amendments, these Bylaws and Rules and Regulations made pursuant hereto, and any amendment to these Bylaws upon the same being passed and duly set forth in an amendment to the Amended and Restated Declaration, duly recorded.

Section 1.02. Compliance. The acceptance of a deed or conveyance or the entering into of a lease or the act of occupancy of a Unit shall constitute an agreement that these Bylaws (and any Rules and Regulations made pursuant hereto) and the provisions of the Amended and Restated Declaration, as they may be amended from time to time, are accepted, ratified, and will be complied with.

Section 1.03. Office. The office of the Condominium, the Association, and the Board of Directors shall be located at the Property or at such other place as may be designated from time to time by the Board of Directors.

Section 1.04. Definitions. Each capitalized term used herein without definition shall have the meanings specified in the Amended and Restated Declaration of the Mountain Glen Condominium to which these Bylaws are attached, as it may be amended from time to time (the "Amended and Restated Declaration") or as provided in the Vermont Condominium Ownership Act (the "Act").

ARTICLE II
MOUNTAIN GLEN HOMEOWNERS ASSOCIATION, INC.

Section 2.01. Formation; Composition. The Mountain Glen Homeowner's Association, Inc. (the "Association") has been formed as a Vermont nonprofit mutual benefit corporation by filing Articles of Association with the Vermont Secretary of State on January 5, 2004. The members of the Association shall consist of all of the Owner of Units in the Condominium (the "Unit Owners") acting as a group.

For all purposes the Association shall act hereby as an agent for the Unit Owners as a group. The Association shall have the responsibility for administering the Condominium, establishing the means and methods of collecting assessments and charges, arranging for the management of the Condominium, and performing all of the other acts that may be required or permitted to be performed by the Association by the Act and the Amended and Restated Declaration. Except as to those matters which the Act specifically requires to be performed by the vote of the Association, the foregoing responsibilities shall be performed by the Board of Directors or their designee.

Section 2.02. Annual Meetings. The annual meeting of the Association shall be held on a designated day between Christmas and New Years, as the Board of Directors may decide. At such annual meeting, the Board of Directors shall be elected by the Unit Owners.

Section 2.03. Place of Meeting. Meetings of the Association shall be held at the principal office of the Association or at such other suitable place convenient to the Unit Owners as may be designated by the Board of Directors.

Section 2.04. Special Meetings. The President may call special meetings of the Unit Owners, the Board of Directors, or upon a Petition signed and presented to the Secretary by Unit Owners holding not less than Twenty-Five Percent (25%) of the undivided interests in the Common Areas and Facilities. The notice of any special meeting shall state the time, place and purpose thereof. No business shall be transacted at a special meeting except as stated in the notice.

Section 2.05. Notice of Meetings. The Secretary shall notify each Unit Owner a notice of the place, date, hour, and purpose or purposes of each annual or regularly scheduled meeting of the Unit Owners by mail, fax or e-mail, or other technological means available. The notice shall be mailed not less than 20 days and not more than 60 days before the date of such meeting.

Section 2.06. Voting. The vote to which each Unit Owner is entitled shall be the percentage of undivided interest appertaining to his or her Unit under the Amended and Restated Declaration. Except where a greater number is required by the Act or the Amended and Restated Declaration, a vote of Owners holding more than Fifty Percent (50%) of the undivided interests in the Common Areas and Facilities, voting in person or by proxy at one time at a duly convened meeting at which a quorum is present, is required to adopt decisions at any meeting of the Association of Owners.

Section 2.07. Corporations, LLC's, Trusts & Other Entities. In the event that record title to a Unit is held by a corporation, limited liability company, partnership or other such entity, or by the representatives of a trust, estate or similar legal construct, then the record owner shall appoint one (1) individual to act on its behalf in connection with all decisions relating to such Unit. Such individual shall vote on behalf of the Unit Owner at all meetings of the Association and may serve as an officer and/or director of the Association.

Section 2.08. Quorum. Except as otherwise provided in the Bylaws, the presence in person or by proxy of Unit Owners holding at least Twenty-Five percent (25%) of the undivided interests in the Common Areas and Facilities shall constitute a quorum at all meetings of the Association.

Section 2.09. Conduct of Meetings. The President shall preside over all meetings of the Association and the Secretary shall keep the minutes of the meeting and record in a minute book of all resolutions adopted at the meeting as well as a record of all transactions occurring thereat. The then current edition of Robert's Rules of Order shall govern.

Section 2.10. Officers of the Association. The officers of the Association of Owners shall be a President, Vice-President, Secretary, and Treasurer. The offices of Secretary and Treasurer may, by vote of the Association of Owners at any annual meeting, be combined as one office. The President and Vice-President must also be owners of the Condominium Units in the project. The Secretary and Treasurer may be non-owners. The President must also be a member of the Board of Directors. Officers shall be annually elected by, and may be removed and replaced by, the Board of Directors. The Board of Directors may in its discretion require that officers be subject to fidelity bond coverage in favor of the Association of Owners, cost of said bond to be borne by the Association of Owners.

- (A) President. The President shall preside at all meetings of the Association of Owners and of the Board of Directors and may exercise the powers ordinarily allocable to the presiding officer of an Association, including the appointment of committees.
- (B) Vice-President. The Vice-President shall perform the functions of the President in the absence or inability of the President.
- (C) Secretary. The Secretary shall keep minutes of all proceedings of the Board of Directors and of the meetings of the Association of Owners and shall keep such books and records as may be necessary and appropriate for the records of the Association and its Board of Directors.
- (D) Treasurer. The Treasurer shall be responsible for the fiscal affairs of the Association, but may delegate the daily handling of income and expense payments to the authorized Manager employed by the Association.

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Section 2.11. Alternate Participation of Meetings. Any Unit Owner who is unable to physically attend any such meeting may participate by conference call or by other electronic means, as authorized by the Board of Directors.

ARTICLE III
BOARD OF DIRECTORS

Section 3.01. Number and Qualification. The affairs of the Association shall be governed by a Board of Directors composed of four people, all of whom shall be Unit Owners or spouses of Unit Owners, or individuals appointed to represent a Unit Owner under Section 2.07.

Section 3.02. Powers and Duties. The Board of Directors shall, either acting on its own or through a manager, 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 assessments of each Unit Owner for the Common Expenses of the Condominium (the "Common Expenses").
- (b) Make assessments against Unit Owners to defray the costs and expenses of the Condominium, establish the means and methods of collecting such assessments from the Unit Owners, and establish the period of the installment payment of the annual assessment for Common Expenses. Unless otherwise determined by the Board of Directors, the annual assessment against each Unit Owner for his proportionate share of the Common Expense shall be payable in advance in equal quarterly installments, each such quarterly installment to be due and payable in advance on the first day of January, April, July and October in each year.
- (c) Provide for the operation, care, upkeep, and maintenance of all of the Property and services of the Condominium.
- (d) Designate, hire and dismiss the personnel necessary for the maintenance, operation, repair and replacement of the Common Areas and Facilities and provide services for the Property and, where appropriate, provide for the compensation for such personnel and for the purchase of equipment, supplies and material to be used by such personnel in the performance of their duties, which supplies and equipment shall be deemed part of the Property.
- (e) Collect the assessments against the Unit Owners, deposit the proceeds thereof in bank depositories designated by the Board of Directors and use the proceeds to carry out the administration of the Project.
- (f) Make and amend the Rules and Regulations.

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- (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 Property, and repairs to and restoration of the Property, 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 Amended and Restated Declaration, these Bylaws, and the Rules and Regulations and act on behalf of the Unit Owners with respect to all matters arising out of an eminent domain proceeding.
- (j) Obtain and carry insurance against casualties and liabilities, as provided in these Bylaws, pay the premiums therefore and adjust and settle any claim thereunder.
- (k) Pay the cost of all authorized services rendered to the Association and not billed to Unit Owners of individual Units or otherwise provided for in Article IV of these Bylaws.
- (l) Keep books with detailed accounts in chronological order of the receipts and expenditures affecting the Property and the administration of the Condominium specifying the expenses of maintenance and repair of the Common Elements and any other expenses incurred. Such books and vouchers accrediting the entries thereupon shall be available for examination by the Unit Owners, their duly authorized agents, or attorneys during general business hours on working days at the times and in the manner set and announced by the Board of Directors for the general knowledge of the Unit Owners. All books and records shall be kept in accordance with good accounting practices, and the same shall be audited at least every three years by an independent accountant retained by the Board of Directors who shall not be a resident of the Condominium or a Unit Owner. The cost of such audit shall be a Common Expense.
- (m) Notify a Mortgage holder of any default hereunder by the Unit Owner of the Unit subject to such Mortgage, in the event that such default continues for a period exceeding ninety days.
- (n) Borrow money on behalf of the Condominium when required in connection with any one instance relating to the operation, care, upkeep and maintenance of the Common Areas and Facilities, provided, however, that the consent of Unit Owners holding at least Sixty Seven Percent (67%) of the undivided interests in the Common Areas and Facilities, 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 in excess of Forty Thousand Dollars (\$40,000.00).

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- (o) Acquire, hold, and dispose of Units and Mortgage the same if such expenditures and hypothecations are included in the budget adopted by the Association.
- (p) In its sole discretion, designate from time to time certain Common Areas and Facilities as "Reserved Common Areas and Facilities" and impose such restrictions and conditions on the use thereof, as the Board of Directors deems appropriate.
- (q) Do such other things and acts not inconsistent with the Act, the Amended and Restated Declaration, or these Bylaws which the Board of Directors may be authorized to do by a resolution of the Association.
- (r) Convey, lease, mortgage, or otherwise transfer or assign all or any portion of the Common Areas and Facilities, to terminate the undivided percentage of interest of Unit Owners in Common Areas and Facilities so transferred and any Mortgages encumbering those undivided percentage interest, and to grant Mortgages of the Common Areas and Facilities having priority over Mortgages encumbering the undivided percentage interest of the Unit Owners, subject, however, to the agreement of persons entitled to cast at least Eighty Percent (80%) of the votes in the Association, and the consent of the holders of first Mortgages on at least Eighty Percent (80%) of the Units that are subject to Mortgages on the date the foregoing agreement is recorded, in accordance with the procedure established in Section 3-112 of the Vermont Uniform Common Interest Ownership Act (27 V.S.A. 3-112) or any successor thereto, and to authorize officers of the Association or other individuals by duly adopted resolution to execute contracts, deeds, mortgages tax returns and other agreements and transfer and security documents on behalf of the Association in connection with such transfer or assignment.

Section 3.03. Managing Agent. The Board of Directors shall have the right to employ for the Condominium a "Managing Agent" at a compensation to be established by the Board of Directors, to act as Manager of the project, provided that any such delegation shall be revocable upon notice by the Board of Directors. The members of the Board of Directors shall not be liable for any omission or improper exercise by the Manager of any such duty, power, or function so delegated by written instrument executed by a majority of the Board of Directors. In the absence of any appointment, the President of the Association of Unit Owners shall act as Manager.

Section 3.04. Election and Term of Office. At each annual meeting of the Association, the members of the Board of Directors shall be elected. The term of office for each member shall be fixed at one year.

Section 3.05. Removal or Resignation of Members of the Board of Directors. At any regular or special meeting duly called, any one (1) or more of the members of the Board of Directors may be removed with or without cause by a majority of the Unit Owners and a successor may then and there be elected to fill the vacancy thus created. Any director whose removal has been proposed by the Unit Owners shall be given at least seven days notice of the time, place, and purpose of the meeting and shall be given an opportunity to be heard at the meeting. A member of the Board of Directors may resign at any time and shall be deemed to have resigned upon disposition of his Unit.

Section 3.06. Vacancies. Vacancies in the Board of Directors caused by any reason other than the removal of a director by a vote of the Association shall be filled by a vote of a majority of the remaining Directors at a special meeting of the Board of Directors held for such purpose promptly after the occurrence of any such vacancy, even though the directors present at such meeting may constitute less than a quorum. Each person so elected shall be a member of the Board of Directors for the remainder of the term of the member being replaced and until a successor shall be elected at the next annual meeting of the Association.

Section 3.07. Organizational Meeting. The first meeting of the Board of Directors following the annual meeting of the Association shall be held within thirty days thereafter at such time and place as shall be fixed by the Association at the meeting at which such Board of Directors shall have been elected, and no notice shall be necessary to the newly elected members of the Board of Directors in order legally to constitute such meeting, providing a majority of the whole Board of Directors shall be present thereat.

Section 3.08. Regular Meetings. Regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time by a majority of the directors, but such meetings shall be held at least once a year. Notice of regular meetings of the Board of Directors shall be given to each director, by mail, e-mail, fax, or other technological means available to each director, at least three business days prior to the day named for such meeting.

Section 3.09. Special Meetings. Special meetings of the Board of Directors may be called by the President on his own accord or by the President or Secretary upon written request of at least two directors, notice of said meeting to be given by mail, e-mail, fax, telephone, or other technological means available to each director. These special meetings may be held either in person within or without the State of Vermont or by telephone conference call.

Section 3.10. Waiver of Notice. Any director may at any time, in writing, waive notice of any meeting of the Board of Directors, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a director at any meeting of the Board of Directors 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 Board of Directors, no notice shall be required and any business may be transacted at such meeting.

Section 3.11. Quorum. At all meetings of the Board of Directors two directors shall constitute a quorum for the transaction of business, and the votes of the two directors present at a meeting at which a quorum is present, shall constitute the decision of the Board of Directors.

Section 3.12. Compensation. No director shall receive any compensation from the Condominium for acting as a director.

Section 3.13. Action Without Meeting. Any action by the Board of Directors required or permitted to be taken at any meeting may be taken without a meeting of all of the members of the Board of Directors shall individually or collectively consent in writing or by e-mail, to such action. Any such written consent shall be filed with the minutes of the proceedings of the Board of Directors.

Section 3.14. Liability of the Board of Directors, Officers, Unit Owners and Association.

- (a) The officers and members of the Board of Directors 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 contractual liability to others arising out of contracts made by the officers, or the Board of Directors on behalf of the Association, unless any such contract shall have been made in bad faith or contrary to the provisions of the Act, the Amended and Restated Declaration or these Bylaws. Officers and members of the Board of Directors shall have no personal liability with respect to any contract made by them on behalf of the Association. Every agreement made by the officers, the Board of Directors or the Managing Agent on behalf of the Association shall, if obtainable, provide that the officers, the members of the Board of Directors or the Managing Agent, as the case may be, are acting only as agents for the Association and shall have no personal liability thereunder (except as Unit Owners), and that each Unit Owner's liability thereunder shall be limited to the total liability thereunder multiplied by his Common Areas and Facilities interest.
- (b) The Association shall not be liable for any failure of water supply 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 the Unit Owner of any Unit, or any other person, or resulting from electricity, water, snow or ice which may leak or flow from any portion of the Common Areas and Facilities or from any pipe, drain, conduit, appliance or equipment. The Association shall not be liable to any Unit Owner for loss or damage, by theft or otherwise, of articles which may be stored upon any of the Common Areas and Facilities. 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 Areas and Facilities or from any action taken by the Association to comply with any law, ordinance, or

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with the order or directive of any municipal or other governmental authority may also be made from the floor at the annual meeting. Members of the Board of Directors shall be required to be Condominium Owners.

Section 3.15. Maintenance, Repair and Replacement of Common Areas and Facilities. It shall be the responsibility of the Board of Directors to determine questions relating to the maintenance, repair and replacement of all Common Areas and Facilities. There shall be no structural alterations, capital additions to, or capital improvements of the Common Areas and Facilities requiring an expenditure of Forty Thousand Dollars (\$40,000.00) or more without the consent of Unit Owners holding at least Sixty Seven Percent (67%) of undivided interests in the Common Areas and Facilities, obtained at a meeting duly called and held for such purposes in accordance with the provisions of these Bylaws.

ARTICLE IV
OPERATION OF THE CONDOMINIUM

Section 4.01. Determination of Common Expenses and Assessments Against Unit Owners.

- (a) Fiscal Year. The fiscal year of the Association shall be the calendar year unless otherwise determined by the Board of Directors.
- (b) Preparation and Approval of Budget.
 - (i) On or before the fifteenth day of November, for each following year, the Board of Directors 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 Areas and Facilities and those parts of the Units as to which it is the responsibility of the Board of Directors 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, this Amended and Restated Declaration, 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 Unit Owners of all related services.
 - (ii) Such budget shall also include such reasonable amounts, as the Board of Directors considers necessary to provide working capital, a general operating reserve and reserves for contingencies and replacements. On or before the next succeeding first day of December, the Board of Directors shall send to each Unit Owner, a copy of the budget in a reasonably itemized form which sets forth the amount of the Common Expenses and a

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special assessment payable by each Unit Owner. Such budget shall constitute the basis for determining each Unit Owner's assessment for the Common Expenses of the Association.

Section 4.02. Assessment and payment of Common Expenses. The total amount of the estimated funds required from assessments for the operation of the Condominium set forth in the budget adopted by the Board of Directors, shall be assessed against each Unit Owner in proportion to his respective Common Areas and Facilities interest:

- (a) Within thirty (30) days prior to the annual meeting the Board of Directors shall estimate the net charges to be paid during the following year (including a reasonable provision for contingencies and replacements and less any expected income and any surplus from the prior year's operation). Said "estimated cash requirement" shall be approved at annual meeting and assessed to the Owners pursuant to the percentages set forth in the Schedule attached to the Amended and Restated Declaration and marked Appendix B. The Board of Directors may at any time levy a further assessment, which shall be assessed to the Owners in like proportion unless otherwise provided herein. Each Owner shall be obligated to pay assessments made pursuant to this paragraph to the Board of Directors in equal quarterly installments on or before the first day of January, April, July, and October during such year, or in such other reasonable manner as the Board of Directors shall designate;
- (b) The Common Expense Fund may also include such amounts as the Board of Directors may deem proper for general working capital, for a general operating reserve, for a reserve fund for replacements and major maintenance and to make up for any deficit in the Common Expenses for any prior year;
- (c) All funds collected hereunder shall be expended for the purposes designated herein;
- (d) The omission by the Board of Directors before the expiration of, any year, to fix the assessments hereunder for that or the next year, shall not be deemed a waiver or modification in any respect of the provisions of the Amended and Restated Declaration and Bylaws or a release of the Owners from the obligation to pay the assessments, or any installment thereof for that or any subsequent year, but the assessment fixed for the preceding year shall continue until a new assessment is fixed. Amendments to this paragraph shall be effective only upon unanimous written consent of the Owners and their mortgagees. No Owner may exempt himself from liability for his contribution towards the Common Expenses by waiver of the use or enjoyment of any of the Common Areas and Facilities or by abandonment of his Unit; and

- (e) The Manager or Board of Directors shall keep detailed, accurate records in chronological order, of the receipts and expenditures affecting the Common Areas and Facilities specifying and itemizing the maintenance and repair expenses incurred. Records and vouchers authorizing the payments involved shall be available for examination by Owners or their duly authorized representative at convenient hours of week days.

Section 4.03. Default in Payment of Assessments.

- (a) Each quarterly assessment and each special assessment shall be separate, distinct, and personal debts and obligations of the Owner against whom the same are assessed at the time the assessment is made and shall be collectable as such. The Board of Directors shall have the right to impose a reasonable late charge for nonpayment of Common Expense payments within 15 days of the date such payments became due. Suit to recover a money judgment for unpaid Common Expenses may be maintained without foreclosing or waiving the lien securing the same. The amount of any assessment, whether regular or special, assessed to the Owner of any Unit plus interest that may legally be charged, and costs including reasonable attorneys' fees, shall become a lien upon such Unit upon recording of a notice of assessment by the Board of Directors. The said lien for nonpayment of Common Expenses shall have priority over all other liens and encumbrances, recorded or unrecorded, except only:
- (i) Tax and special assessment liens on the Unit in favor of any governmental assessing unit and special district;
 - (ii) All sums unpaid on a first mortgage of record on the unit
 - (iii) Mechanic' s Liens.
- (b) A certificate executed and acknowledged by a majority of the Board of Directors stating the indebtedness secured by the lien upon any Unit created hereunder, shall be conclusive upon the Board of Directors and the Owners as to the amount of such indebtedness on the date of the certificate, in favor of all persons who rely thereon in good faith, and such certificate shall be furnished to any Owner or any encumbrancer or prospective encumbrancer of a Unit upon request at a reasonable fee. Unless the request for a certificate of indebtedness shall be complied with within ten (10) days, all unpaid Common Expenses which become due prior to the date of the making of such request shall be subordinate to the lien held by the person making the request. Any encumbrancer holding a lien on a Unit may pay any unpaid Common Expenses payable with respect to such Unit for the amounts paid of the same rank as the lien of his encumbrance.

- (c) Upon payment of a delinquent assessment concerning which such a certificate has been so recorded, or other satisfaction thereof, the Board of Directors shall cause to be recorded in the same manner as the certificate of indebtedness a further certificate stating the satisfaction and the release of the lien thereof. Such lien for nonpayment of assessment may be enforced by judicial foreclosure or by judicial or private sale by the Board of Directors or by a bank or trust company or title insurance company authorized by the Board of Directors, any such private sale to be conducted in accordance with the provisions of law applicable to the exercise of a private power of sale under a mortgage of real property or in any other manner permitted by law. In any foreclosure or sale, the Owner shall be required to pay the costs and expenses of such proceedings and reasonable attorney fees.
- (d) In case of foreclosure, the Owner shall be required to pay a reasonable rental for the Condominium and the plaintiff in the foreclosure action shall be entitled to the appointment of a receiver to collect the rental without regard to the value of the mortgage security by the Board of Directors or the Manager acting on its behalf shall have the power to buy in the Condominium at foreclosure or other sale and to hold, lease, mortgage and convey the Condominium.

Section 4.04. Abatement and Enjoinment of Violations by Unit Owners. The violation of any rules or regulations adopted by the Board of the breach of any Bylaw contained herein or the breach of any provision of the Amended and Restated Declaration, shall give the Board the right, in addition to any other rights set forth in these Bylaws:

- (a) To enter the Unit in which or as to which, such violation or breach exists and to summarily abate and remove, at the expense of the defaulting Unit Owner, any structure, thing; or
- (b) To enjoin, abate or remedy by appropriate legal proceedings, either in law or in equity, the continuance of any such breach.

Section 4.05. Statement of Common Expenses. The Board of Directors shall promptly provide any Unit Owner, contract purchaser, or mortgagee so requesting the same in writing with a written statement of all unpaid assessments for Common Expenses due from such Unit Owner. The Board of Directors may impose a reasonable charge for the preparation of such statement to cover the cost of preparation.

Section 4.06. Insurance. The Board of Directors shall obtain and maintain insurance on the Condominium as follows:

- (a) A policy or policies of fire insurance with extended coverage endorsements for the full insurable replacement value of the Units, Common Areas and Facilities, and Limited Common Areas and Facilities (such limits and coverage to be reviewed at least annually by the Board of Directors and increased in its

discretion) payable as provided in Paragraph VI of the Amended and Restated Declaration or such other fire and casualty insurance as the Board of Directors shall determine gives substantially equal or greater protection to the Owners and their mortgagees, as their respective interests may appear, which said policy or policies shall provide for a separate loss payable endorsement in favor of the mortgagee or mortgagees of each Condominium if any;

- (b) A policy or policies insuring the Board of Directors, the Owners, and the Manager against any liability to the public or the Owners of the Units and of the common and Limited Common Areas and Facilities, and their invitees, or tenants, incident to the ownership and/or use of the Property, and including the personal liability exposure of the Owners, incident to the ownership and/or use of the Property. Limits of liability under such insurance shall not be less than One Million Dollars (\$1,000,000.00) for any one person injured, for any one accident, and shall not be less than One Hundred Thousand Dollars (\$100,000.00) for property damage each occurrence (such limits and coverage to be reviewed at least annually by the Board of Directors and increased at its discretion). Said policy or policies shall be issued on a comprehensive liability basis and shall provide cross liability endorsement wherein the rights of named insured under the policy or policies shall not be prejudiced as respects his, her or their action against another named insured;
- (c) Workers' Compensation Insurance to the extent necessary to comply with any applicable laws.

Section 4.07. Maintenance, Repair, Replacement, and Other Common Expenses.

- (a) By the Board of Directors: The Board of Directors shall be responsible for the maintenance, repair, and replacement (unless, if in the opinion of not less than two-thirds of the Board of Directors such expense was necessitated by the negligence, misuse, or neglect of a Unit Owner) of all the Common Areas and Facilities.
- (b) By the Unit Owner: Each Unit Owner shall keep his Unit and its equipment, appliances, and appurtenances in good order, condition, and repair and in a clean and sanitary condition, and shall do all interior decorating, painting, and varnishing which may at any time be necessary to maintain the good appearance and condition of his Unit. In addition, each Unit Owner shall be responsible for all damage to any other Units or to the Common Areas and Facilities resulting from his failure to make any of the repairs required by this Section.
- (c) Manner of Repair and Replacement: All repairs and replacements shall be substantially similar to the original construction and installation and shall be of

first-class quality. The Board of Directors shall determine the method approving payment vouchers or all repair and replacements.

Section 4.08. Restriction on Use of Units: Rules and Regulations. Each Unit and the Common Areas and Facilities shall be occupied and used as follows:

- (i) No Unit shall be used for other than housing and the related common purposes for which the Property was designed.
- (ii) Nothing shall be done or kept in any Unit or in the Common Areas and Facilities, which will increase the rate of insurance for the Condominium or any part thereof applicable for residential use without the prior written consent of the Board of Directors. No Unit Owner shall permit anything to be done or kept in his Unit or in the Common Areas and Facilities which will result in the cancellation of insurance on the Condominium or any part thereof or which would be in violation of any law, regulation or administrative ruling. No waste shall be committed in the Common Areas and Facilities.
- (iii) No immoral, improper, offensive, or unlawful use shall be made of the Condominium or any part thereof, and all valid laws, zoning ordinances, and regulations of all governmental agencies having jurisdiction thereof shall be observed. All law, orders, rules, resolutions, or requirements of any governmental agency having jurisdiction thereover relating to any portion of the Condominium shall be complied with by and at the sole expense of the Unit Owner or the Board of Directors, whichever shall have the obligation to maintain or repair such portion of the Condominium, and, if the latter, then the cost of such compliance shall be a Common Expense.
- (iv) No Unit Owner shall obstruct any of the Common Areas and Facilities nor shall any Unit Owner store anything upon any of the Common Areas and Facilities (except in those areas designated by approval of the Board of Directors) without the approval of the Board of Directors. Nothing shall be altered or constructed in or removed from the Common Areas and Facilities except upon the prior written consent of the Board of Directors.
- (v) The Common Areas and Facilities shall be used only for the furnishing of the services and facilities for which the same are reasonably suited and which are incident to the use and occupancy of the Units.
- (vi) No Unit Owner shall lease a Unit in the Condominiums without requiring the Lessee to comply with the Amended and Restated Declaration, the

Bylaws, and the Association's Regulations, and providing that failure to comply constitutes a default under the lease.

- (vii) No trailers, campers, recreational vehicles, snowmobiles, ATV vehicles, or boats may be parked on the Condominium for longer than Forty-Eight (48) hours, without the approval of the Board of Directors. No junk or derelict vehicle or other vehicle on which current registration plates are not displayed shall be kept upon any of the Common Areas and Facilities.
- (viii) The maintenance, keeping, boarding, and/or raising of animals, livestock, poultry, or reptiles of any kind, regardless of number, shall be and is prohibited within any Unit or upon the Common Areas and Facilities, except that the keeping of small, orderly domestic pets (e.g. dogs, cats, or caged birds) not to exceed one per Unit without the approval of the Board of Directors, is permitted, subject to the Rules and Regulations adopted by the Board of Directors; provided, however, that such pets are not kept or maintained for commercial purposes of for breeding, and provided further, that any such pet causing or creating a nuisance or unreasonable disturbance or noise shall be permanently removed from the Property upon ten days written notice from the Board of Directors. Such pets shall not be permitted upon the Common Areas and Facilities unless accompanied by an adult and unless carried or leashed. Any Unit Owner who keeps or maintains any pet upon any portion of the Property shall be deemed to have indemnified and agreed to hold the Condominium, each Unit Owner, and the Declarant free and harmless from any loss, claim, or liability of any kind or character whatever arising by reason of keeping or maintaining such pet within the Condominium. All pets shall be registered with the Board of Directors and shall otherwise be registered and inoculated as required by law.

Each Unit and the Common Areas and Facilities shall be occupied and used in compliance with the Rules and Regulations which may be promulgated and amended by the Board of Directors. The Board of Directors to each Unit Owner shall furnish copies of the Rules and Regulations. Amendments to the Rules and Regulations shall be conspicuously posted prior to the time when the same shall become effective and copies thereof shall be furnished to each Unit Owner upon request.

ARTICLE V
MISCELLANEOUS

Section 5.01. Amendment. These Bylaws may be amended by vote of Unit Owners holding at least Sixty Seven Percent (67%) of the undivided interests in the Common Areas and Facilities.

Section 5.02. Special Committees. The Board of Directors by resolution may designate one or more special committees, each committee to be chaired by a director, which, to the extent provided in said resolution, shall have and may exercise the powers set forth in said resolution. Such Special Committee or Committees shall have such name or names as may be determined from time to time by the Board of Directors. Such Special Committees shall keep regular minutes of their proceedings and report the same to the Board of Directors when required. The Board of Directors shall appoint the members of such Special Committee or Committees designated. The Board of Directors may appoint Owners to fill vacancies on each of said Special Committees occasioned by death, resignation, renewal, or inability to act for any extended period of time.

Section 5.03. Rules and Regulations. The Board of Directors shall have the right to adopt and amend rules, regulations, restrictions, and requirements governing the details of the operation, use, and maintenance of Units and the Common and Limited Common Areas and Facilities as authorized by the Condominium Ownership Act and as authorized by, and subject to the reservations of the Declarant, the Amended and Restated Declaration. Copies of the Rules and Regulations shall be furnished to each Owner prior to the time the same shall become effective.

Section 5.04. Severability. The provisions hereof shall be deemed independent and severable, and the invalidity or partial invalidity or unenforceability of any one provision or portion hereof shall not affect the validity or unenforceability of any other provision hereof.

Section 5.05. Notices. All notices, demands, bills, statements, or other communications shall be in writing and shall be deemed to have been duly given, if delivered personally or if sent postage prepaid:

- (a) if to a Unit Owner, at the address which the Unit Owner shall designate in writing and file with the Secretary, or, if no such address is designated, at the address of the Unit of such Unit Owner; or
- (b) if to the Association or the Board of Directors, at the principal office of the Association or at such other address as shall be designated in writing to the Unit Owners pursuant to this section.

Section 5.06. 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 provision thereof.

Section 5.07. 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.

Section 5.08. Effective Date. These Bylaws shall take effect upon recording.

Handwritten: 5/30/09

Stowe, Vt. Record Received
JULY 14 2009 at 3:15 P.M.
Alison A. Kaiser, Town Clerk