

**AMENDED AND RESTATED BYLAWS OF
INVERNESS OWNERS ASSOCIATION, INC.**

**ARTICLE I
Plan of Ownership**

Section 1.1: **Applicability**. These By-Laws provide for the governance of Inverness at Vermont National Country Club, a Planned Residential Development (the "Development") located in South Burlington, Vermont, and being more particularly described in the Declaration of Covenants, Conditions, Restrictions, Easements and Liens for Inverness at Vermont National Country Club, a Planned Residential Development dated December 18, 1998 of record at Book 445, Page 66 of the City of South Burlington Land Records, as the same may be amended and/or restated from time to time.

Section 1.2: **Compliance**. Every Unit Owner and all those entitled to occupy a Unit shall comply with these By-Laws.

Section 1.3: **Office**. The office of 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 1.4: **Definitions**. Each term used herein shall have the meaning specified in these restated By-Laws of Inverness Owner Association, Inc., or if not otherwise defined in the Declaration or theses restated By-Laws, then as defined in the Act:

Act means the Vermont Common Interest Ownership Act (27A VSA Section 1-101 et seq.).

Allocated Interests means the amount assessed against the owners of each Unit from time to time by the Association as described below.

Assessment means the sum attributable to each Unit and due to the Association pursuant to the budget adopted under the provisions herein and Section 3-123 of the Act.

Association or Unit Owners' Association means the Inverness Owners Association, Inc., a Vermont non-profit corporation as organized under Section 3-101 of the Act.

Board of Directors or Board means the board of directors charged to act on behalf of the Association as organized under Section 3-103 of the Act.

By-Laws or Bylaws means these restated By-Laws of the Association, as may subsequently be amended from time to time, which contain the procedures for conduct of the affairs of the Association.

Common Elements means all portions of the Property and appurtenances thereto other than the Units as defined in the Declaration.

Common Expenses means expenditures made by or financial liabilities of the Association together with any allocations to reserves.

Common Expenses Liability means the liability of the Common Expenses allocated to each Unit pursuant to the Declaration or Exhibits thereto and Section 2-107 of the Act.

Common Interest Community means real estate described in the Declaration with respect to which a person, by virtue of the person's ownership of a Unit, is obligated to pay for a share of real estate taxes on, insurance premiums, maintenance, or improvement of, or any services or other expenses related to Common Elements, or other Units, or other real estate other than that Unit described in the Declaration.

Declarant means the original developer, its successors and assigns, as set forth in the Declaration.

Declaration means the Declaration of Covenants, Conditions, Restrictions, Easements and Liens for Inverness at Vermont National Country Club, a Planned Residential Development dated December 18, 1998 of record at Book 445, Page 66 of the City of South Burlington Land Records, as it may be amended and/or restated from time to time, and includes all Exhibits thereto.

Development or Project means Inverness at Vermont National Country Club, a Common Interest Community in which portions of the real estate (the Units) are designated for separate ownership and the remaining portions of the real estate (the Common Elements) are designated for common ownership solely by the owners of the Units.

Limited Common Elements means a portion of the Common Elements allocated by the Declaration or by operation of Sections 2-102(2) or (4) of the Act for the exclusive use of one or more, but fewer than all of the Units.

Rules and Regulations means the provisions and limitations promulgated from time to time in accordance with Section 3-120 of the Act by the Board of Directors governing the use of the Common Elements and Units.

Unit or Lot means a physical portion of the Development designated for separate ownership, the boundaries of which are described in the Declaration, together with all other appurtenant rights described in the Declaration.

Unit Owner or Lot Owner or Owner means the Declarant or other person that owns a Unit.

ARTICLE II Association

Section 2.1: **Applicability and Composition.** These Bylaws provide for the governance of the Inverness Owners Association, Inc. (the "Association") shall consist of all Unit Owners acting as a group. The Association shall have the responsibility for administering the Development, establishing the means and methods of collecting Assessments for Common Expenses, arranging for the management of the Development, and performing all of the other acts that may be required or permitted to be performed by the Association by the Act, the Declaration or these By-Laws. The Association shall have the power and authority to engage in any lawful activity, including but not limited to the powers more particularly set forth in Section 3-102 of the Act. Except as to those matters that the Act specifically requires to be performed by the vote of the Association, the foregoing shall be performed by the Board of Directors or their 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 Board of Directors. At such annual meeting, the Board of Directors 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.

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 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 Board of Directors, or by the Unit Owners having twenty percent (20%) of the total votes in the Association. Only matters described in the notice shall be considered at such Special Meeting. If called by Unit Owners having twenty percent (20%) of the total votes in the Association, the Secretary shall notify all Unit Owners pursuant to Section 2.5 hereinbelow and if the Secretary shall fail to do so within thirty (30) days of the request by the requisite percentage of Unit Owners, the requesting Unit Owners may directly notify all the Unit Owners of the Special Meeting pursuant to Section 3-108(a)(1) of the Act.

Section 2.4: **Place of Meetings.** Meetings of the Association and meetings of the Board of Directors 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 2.5: **Notice of Meetings.** In accordance with Section 3-108(a)(3) of the Act, the Association shall notify the Unit Owners of each Annual Meeting and Special Meeting as follows:

- (a) The Secretary shall send by prepaid United States mail, electronic mail or hand deliver to each Unit Owner, as generally described in §3-121 of the Act, a notice of the place, date, hour and the items on the agenda of each Annual Meeting and Special Meeting of the Unit Owners, including a statement of the general nature of any proposed amendment to the

Declaration or By-Laws, any budget changes, and any proposal to remove an officer or member of the Board of Directors. The notice shall be delivered in the manner set forth hereinbelow and in the Act and not less than ten (10) days nor more than sixty (60) days before the date of such meeting, however such minimum time may be reduced or waived for a meeting called to deal with an emergency.

- (b) The Association shall deliver any notice required to be given by the Association under this Section or the Act to any mailing or electronic address a Unit Owner designates. Otherwise, the Association may deliver such notices by: (1) hand delivery to each Unit Owner; (2) hand delivery, prepaid United States mail or commercially reasonable deliver service to the mailing address of each Unit; (3) electronic means, if the Unit Owner has given the Association an electronic address; or (4) any other method reasonable calculated to provide notice to the Unit Owner.
- (c) Any Unit 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 Unit Owner at any meeting of the Association without objection to the notice of the meeting shall constitute a waiver of notice by such Unit Owner of the time, place and purpose of such meeting. 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 2.6: **Adjournment of Meeting.** If at any meeting of the Association a quorum is not present, Unit 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 forty-eight (48) hours after the time the original meeting was called.

Section 2.7: **Voting.** Unit Owners shall be entitled to vote on Association matters as provided in the Declaration and the Act in person, by proxy pursuant to the requirements of Section 3-110(c) of the Act or by electronic or paper absentee ballot pursuant to Section 3-110(d) of the Act. The Owner of each Unit shall be entitled to one (1) vote and joint owners of a Unit shall vote their one (1) vote collectively through one owner in accordance with Section 3-110(b)(2) of the Act. The vote of Unit Owners having fifty-one percent (51%) of the votes who are present at each meeting by any combination of (1) in person, (2) by proxy or (3) by absentee ballot shall constitute a decision by the Association, unless a higher percentage is specified for any matter in the Declaration or the Act.

Section 2.8: **Quorum.** A quorum is present throughout any meeting of the Unit 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 Section 3-110(b)(4) of the Act which have been delivered to the Secretary in a timely manner; or (c) are present by any combination thereof.

Section 2.9: **Conduct of Meetings.** The President shall preside over all meetings of the Association and the Secretary shall keep minutes of the meetings to be maintained pursuant to Section 5.4 hereinbelow and Section 3-118 of the Act. Meetings of the Association shall be conducted in accordance with the most recent edition of Roberts' Rules of Order Newly Revised. Unit Owners must be given a reasonable opportunity at any meeting to comment regarding any matter affecting the Development or the Association. Pursuant to Section 3-108(b)(7) of the Act, meetings of Unit Owners may be conducted by telephonic, video or other conferencing process if (a) the meeting notice states the conferencing process to be used and provides information explaining how Unit Owners may participate in the conference directly or by meeting at a central location or conference connection; and (b) the process provides all Unit Owners the opportunity to hear or perceive the discussion and to comment during the meeting, consistent with these Bylaws and the Act.

Section 2.10: **Acting Without Meeting.** Any action by the Unit Owners required or permitted to be taken at any meeting may be taken without a meeting in accordance with Section 3-110(d) of the Act, unless otherwise prohibited by a specific provision of the Declaration or Bylaws.

ARTICLE III **Board of Directors**

Section 3.1: **Number and Qualifications.** The affairs of the Association shall be governed by a Board of Directors composed of not less than three (3) persons and not more than five (5) persons. Except for the initial Board of Directors appointed by the Declarant, all Board members shall be Unit Owners. An officer or agent of a corporate Unit Owner, or general partner of a partnership, or the trustee of a trust shall be deemed to be the Unit Owner for this purpose. Not more than one (1) Owner of each Unit may be an Officer of the Board of Directors at one time.

Section 3.2: **Powers and Duties.** The Board of Directors 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) Shall adopt and may amend budgets for revenues, expenditures and reserves as provided in Article V of these Bylaws and Section 3-123 of the Act, may collect Assessments for Common Expenses from Unit Owners, and may invest funds of the Association.
- (b) In accordance with Section 3-120 of the Act, make and amend the Rules and Regulations applicable to the Unit Owners and occupants of Units.
- (c) Hire and discharge Managing Agents and other employees, agents and independent contractors. No contract or agreement for management of the Association shall exceed three (3) years, and must provide for termination by either party without cause and without payment of a termination fee on ninety (90) days written notice.

- (d) Initiate, defend or intervene in litigation, arbitration, mediation or administrative proceedings in the name of the Association on behalf of itself or two or more Unit Owners on matters affecting the Common Interest Community, subject to the provisions of Section 3-124 of the Act.
- (e) Make contracts and incur liabilities, including, to the extent not otherwise prohibits by these Bylaws or the Act, to 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 Unit Owners, obtained at a meeting duly called and held for such purpose in accordance with the provisions of these By-Laws, shall be required to borrow any sum which would cause the total debt of the Association to exceed Three Thousand Dollars (\$3,000.00).
- (f) Regulate the use, maintenance, repair, replacement and modification of the Common Elements.
- (g) Make additional improvements to the Common Elements.
- (h) Acquire, hold, encumber and convey in the name of the Association, any right, title or interest to real estate or personal property of the Association except as limited by Section 3-112 of the Act.
- (i) Grant easements, leases, licenses and concessions through or over the Common Elements.
- (j) Impose and receive payments, fees or charges (1) for the use, rental or operation of the Common Elements, other than the Limited Common Elements as defined in the Declaration and as provided in Sections 2-102(2)-(4) of the Act; and (2) for services provided to Unit Owners.
- (k) Impose charges for late payment of Assessments and after notice and a hearing, impose reasonable fines for violations of the Declaration, Bylaws and Rules and Regulations of the Association.
- (l) Impose reasonable charges for the preparation and recordation of amendments to the Declaration, Resale Certificates required by the Section 4-109 of the Act or statements of unpaid Assessments.
- (m) Provide indemnification for its Officers and Board of Directors and maintain directors and officers liability insurance.
- (n) Except to the extent limited by the Declaration, may assign its right to future income, including the right to receive Assessments.

- (o) Exercise any other power conferred by the Declaration or Bylaws, or which is legally provided for similar entities or which is necessary and property to govern and operate the Association. The Board of Directors may also do such other things and acts not inconsistent with the Act, the Declaration or these Bylaws which the Board of Directors may be authorized to do by a resolution of the Association.
- (p) Require that disputes between the Board of Directors and Unit Owners or between two or more Unit Owners regarding the Common Interest Community must be submitted to nonbinding alternative dispute resolution as a prerequisite to commencement of a judicial proceeding.
- (q) Exercise all other powers that may be exercised in Vermont by organizations of the same type as the Association.
- (r) Suspend any right or privilege of a Unit Owner that fails to pay an Assessment, but may not: (1) deny a Unit Owner or other occupant access to the Owner's Unit; (2) suspend a Unit Owner's right to vote; (3) prevent a Unit Owner from seeking election as a director or officer of the Association; or (4) withhold services provided to a Unit or a Unit Owner by the Association if the effect of withholding the service would be to endanger the health, safety, or property of any person.
- (s) Open bank accounts on behalf of the Association and designate the signatories thereon.
- (t) Subject to any limiting provisions of the Act or these Bylaws, enforce by legal means the provisions of the Declaration, these Bylaws and the Rules and Regulations of the Association.
- (u) Pursuant to Section 3-102(d) of the Act, if a tenant of a Unit Owner violates the Declaration, Bylaws or Rules and Regulations of the Association, in addition to exercising any of its powers against the Unit Owner, the Association may: (1) exercise directly against the tenant the powers described in Section 3.2(k) hereinabove; (2) after giving notice to the tenant and the Unit Owner and an opportunity to be heard, levy reasonable fines against the tenant for the violation; and (3) enforce any other rights against the tenant for the violation which the Unit Owner as landlord could lawfully have exercised directly against the Unit Owner, or both. The rights granted in Section 3.2(u)(3) herein may only be exercised if the tenant and Unit Owner fail to cure the violation within ten (10) days after the Association notifies the tenant and Unit Owner of that violation.
- (v) Pursuant to Section 3-102(g) of the Act, the Board of Directors 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 or Rules and Regulations, including whether to compromise any claim for unpaid Assessments or other claim made by or against it, however the Board of Directors does not have a duty to take enforcement action as set forth in Section 3-102(g)(1)-(4). The Board of Directors' decision under this Section 3.2(v) or Section 3-102(g) of the Act not to pursue enforcement under one set of circumstances does not prevent the Board of Directors from undertaking an enforcement action under another set of circumstances, but the Board of Directors may not be arbitrary or capricious in taking enforcement action.

- (w) The Board of Directors shall establish a reasonable method for Unit Owners to communicate among themselves and with the Board of Directors on matters concerning the Association.

Section 3.3: **Limitations on Powers and Duties.** The Board of Directors shall not (a) amend the Declaration except as provided in the Declaration or Section 2-117 of the Act; (b) amend these By-Laws except as provided in the Declaration; (c) terminate the Common Interest Community; (d) elect members of the Board of Directors, but may fill vacancies in its membership for the unexpired portion of any term, or, if earlier, until the next regularly scheduled election of Board of Directors members; or (e) determine the qualifications, powers, duties or terms of office of Board of Directors members.

Section 3.4: **Liability of the Board, Unit Owners and Association.**

- (a) To the extent permitted by law, the officers and members of the Board of Directors shall not be liable to the Association for any mistake or 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 members of the Board of Directors from and against all expenses and liabilities to others arising out of claims made against the officers or the Board of Directors on account of their status as officers and members of the Board of Directors unless any such contract shall have been made in bad faith or contrary to the provisions of the Act, the Declaration of these By-Laws.
- (b) To the extent permitted by law and to the extent that any of the following are not covered by any insurance policy obtained by the Association and/or Unit Owners, neither the Association nor the Board of Directors shall be liable for injury or damage to person or property caused by acts of God or by any Unit 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 Unit 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.

Section 3.5: **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 Board of Directors, to serve for the next term. The term of office for the Board of Directors shall be for three (3) years unless other terms are established by the Association at any Annual Meeting. The members of the Board of Directors shall hold office until their respective successors shall be elected by the Association.

Section 3.6: **Removal or Resignation of Members of the Board of Directors.** At any Annual Meeting or Special Meeting of the Unit Owners duly called, any one or more of the members of the Board of Directors may be removed with or without cause if a quorum is present and if the number of votes cast in favor of removal exceeds the number of votes cast in opposition to removal provided that subject was listed in the notice of the meeting, and a successor may then and there be elected to fill the vacancy thus created. Any member of the Board of Directors whose removal has been proposed by the Unit Owners shall be given at least ten (10) 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, except for the initial Board of Directors members appointed by the Declarant, shall be deemed to have resigned upon the sale of their unit.

Section 3.7: **Validity of Actions of Board.** Even if an action by the Board of Directors is not in compliance with Section 3-108 of the Act, it is valid unless set aside by a court. A challenge to the validity of an action of the Board of Directors for failure to comply with Section 3-108 of the Act may not be brought more than sixty (60) days after the minutes of the Board of Directors of the meeting at which the action was taken are approved if the record of that action is distributed to Unit Owners, whichever is later.

Section 3.8: **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 members of the Board of Directors, but such a meeting shall be held at least following each meeting of the Association. Notice of regular meetings of the Board of Directors shall be given to each member of the Association in the manner as set forth in the Act and these Bylaws.

Section 3.9: **Special Meetings for Emergencies.** Special meetings of the Board of Directors may be called by the President or a majority of the Board of Directors, on three (3) days written notice to each member of the Association, given by mail, electronic mail, facsimile or hand delivery, which notice shall state the time, place and purpose of the meeting.

Section 3.10: **Open Meetings and Executive Sessions.** All meetings of the Board of Directors shall be open to the Unit Owners and at each meeting of the Board of Directors, the

Board shall provide a reasonable opportunity for Unit Owners to comment regarding any matter affecting the Development and the Association, except during Executive Sessions. The Board of Directors and committees thereof may hold an Executive Session only during a regular or special meeting of the Board of Directors or such committee thereof. No final vote or action may be taken during an Executive Session and such Executive Session may be held only to: (a) consult with the Association's attorney concerning legal matters; (b) discuss existing or potential litigation or mediation, arbitration, or administrative proceedings; (c) discuss labor or personnel matters; (d) 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 (e) prevent public knowledge of the matter to be discussed if the Board of Directors or committee thereof determines that public knowledge would violate the privacy of any person.

Section 3.11: **Notice of Board Meetings.** Unless the meeting is included in a schedule given to the Unit Owners or the meeting is called to deal with an emergency, the Secretary shall give notice of each Board of Directors meeting to each member of the Board of Directors and to the Unit Owners. The notice must be given at least ten (10) days before the meeting and must state the time, date, place and agenda of the meeting. If any materials are distributed to the Board of Directors before the meeting, the Board of Directors at the same time shall make copies of those materials reasonably available to Unit Owners, except that the Board of Directors need not make available copies of unapproved minutes or materials that are to be considered in Executive Session.

Section 3.12: **Waiver of Notice by Members of the Board of Directors.** Any Board of Directors member 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 member of the Board of Directors at any meeting of the Board of Directors shall constitute a waiver of notice by him or her of the time, place and purpose of such meeting. If all Board of Directors members are present at any meeting of the Board of Directors, notice to all members of the Board of Directors shall be presumed and any business may be transacted at such meeting.

Section 3.13: **Quorum.** At all meetings of the Board of Directors a majority of the Board members shall constitute a quorum for the transaction of business, and the votes of a majority of the members present at a meeting at which a quorum is present shall constitute the decision of the Board of Directors, unless such higher percentage is required by a specific provision of the Declaration, these Bylaws or the Act.

Section 3.14: **Compensation.** No member of the Board of Directors shall receive any compensation from the Association for acting as such.

Section 3.15: **Telephone or other Electronic Meetings.** Members of the Board of Directors may attend a meeting of the Board of Directors by means of a telephonic, video or similar conferencing communications equipment by means of which all persons participating in the meeting hear each other. Provided however, that the meeting notice states the conferencing process to be used and provides information explaining how Unit Owners may participate in the conference directly or by meeting at a central location or conference connection and the process

provides all Unit Owners the opportunity to hear and perceive the discussion and to comment regarding any matter affecting the Development and the Association. Participation in a meeting in such manner shall constitute presence of each person at such meeting for purposes of establishing a quorum and/or majority.

Section 3.16: **Board of Directors Unanimous Consent in Lieu of Meeting.** Pursuant to Section 3-108(b)(9) of the Act, the Board of Directors may act by unanimous consent as documented in a record authenticated by all its members instead of meeting, however the Board of Directors may act by unanimous consent only to undertake ministerial actions or to implement actions previously taken at a meeting of the Board of Directors. The Secretary or Managing Agent shall promptly give notice to all Unit Owners of any action taken by unanimous consent. Notwithstanding the foregoing, a gathering of members of the Board of Directors at which the members of the Board of Directors do not conduct Association business is not a meeting of the Board of Directors and the Board of Directors and its members may not use such incidental or social gatherings of members of the Board of Directors to evade the open meeting requirements of these Bylaws and/or the Act.

Section 3.17: **Contracts.** The Board of Directors may authorize any Officer or Officers, agent or agents, to enter into any contract or execute and deliver any instruments in the name of and on behalf of the Association, and such authority may be general or confined to specific instances.

Section 3.18: **Loans.** No loans shall be contracted on behalf of the Association and no evidence of indebtedness shall be issued in its name unless authorized by a resolution of the Board of Directors. Such authority may be general or confine to specific instances.

Section 3.19: **Checks, Drafts, Etc.** All checks, drafts, or other orders for the payment of money, notes, or other evidence of indebtedness issued in the name of the Association shall be signed by such Officer and Officers of the Association in such manner as shall from time to time be determined by resolution of the Board of Directors.

Section 3.20: **Deposits.** All funds of the Association not otherwise employed shall be deposited from time to time to the credit of the Association in such banks, trust companies or other depositories as the Board of Directors may select.

ARTICLE IV **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 which shall be elected by the Board of Directors. The President shall be a member of the Board of Directors. All officers shall be Unit Owners. Not more than one Owner of each Unit may be an officer at one time. A person who is a member of the Board of Directors may be an officer. Any two or more offices may be held by the same person, except the offices of President and Secretary.

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

Section 4.3: **Removal of Officers.** Upon the affirmative vote of a majority of the Board of Directors, any officer may be removed, either with or without cause, and a successor may be elected to serve the balance of the removed officer's term at any duly noticed regular meeting of the Board of Directors or at any duly noticed special meeting of the Board of Directors called for such purpose.

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 Board of Directors, 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 Unit Owners from time to time as the President may in their discretion decide is appropriate to assist in the conduct of the affairs of the Association. The President may sign any deeds, mortgages, bonds, contracts or other instruments which the Board of Directors has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or by these Bylaws to some other Officer or agent of the Association, or shall be require by the Act to be otherwise signed or executed.

Section 4.5: **Vice President.** In the absence of the President or in the event of the President's death, disability or refusal to act, the Vice President (or in the even there be more than one Vice President, the Vice Presidents in the order designated at the time of their election, or in the absence of any such designation, then in order of their election) shall perform the duties of President, and when so acting, shall have all the powers of and be subject to all of the restrictions upon, the President. The Vice President shall also perform such other duties as shall from time to time be imposed upon them by the Board of Directors or by the President.

Section 4.6: **Secretary.** The Secretary shall keep the minutes of all meetings of the Association and of the Board of Directors; have charge of such books and papers as the Board of Directors may direct; maintain a register setting forth the place to which all notices to Unit 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 Board of Directors and shall be responsible for the deposit of all monies and other valuable effects in the name of the Board of Directors, the Association or the Managing Agent, in such depositories as may from time to time be designated by the Board of Directors; 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 Two

Thousand Five Hundred Dollars (\$2,500.00), and all checks drawn upon reserve accounts shall be executed by any two (2) persons designated by the Board of Directors. All such instruments for expenditures or obligations of Two Thousand Five Hundred Dollars (\$2,500.00) or less, except from reserve accounts, may be executed by the Treasurer or any one person designated by the Board of Directors.

Section 4.9: **Compensation of Officers.** No Officer who is also a member of the Board of Directors shall receive any compensation from the Association for acting as such Officer.

Section 4.10: **Bonds.** If required by the Board of Directors, the Treasurer, and such other officers as the Board of Directors 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 Board of Directors.

Section 4.11: **Standard of Care.** Officers and members of the Board of Directors not appointed by the Declarant shall exercise the degree of care and loyalty to the Association required of an officer or director of a corporation organized under Title 11B V.S.A. Section 1.01 et seq., and are subject to the conflict of interest rules governing such directors and officers set forth therein. The standards of care and loyalty described in this Section 4.11 apply regardless of the form in which the Association is organized.

ARTICLE V **Operation of Condominium**

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

- (a) **Fiscal Year.** The fiscal year of the Association shall be a calendar year unless otherwise determined by the Board of Directors.
- (b) **Preparation and Approval of Budget.**
 - (1) On or before ninety (90) days preceding the date set for the Annual Meeting, the Board of Directors shall adopt a proposed 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 Units and other properties 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, 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 Unit Owners of all related services.

- (2) 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 the contingencies and replacements. Such proposed budget shall constitute the basis for determining each Unit Owner's Assessment for the Common Expenses of the Association.
 - (3) Not later than thirty (30) days after adoption of a proposed budget, the Board of Directors shall provide to all the Unit 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 Board of Directors 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 Unit Owners to consider ratification of the budget. Unless at that meeting a majority of all Unit Owners 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 Unit Owners continues until Unit Owners ratify a subsequent budget. The budget shall be ratified by the Unit Owners at the Annual Meeting as set forth in these restated Bylaws or at a meeting of the Unit Owners called pursuant to these restated Bylaws for that purpose and the Act.
- (c) **Regular and Special Assessments of Common Expenses.** The total amount of the estimated funds required from Assessments for the operation of the Development set forth in the adopted budget shall be assessed against each Unit Owner in proportion to the respective Allocated Interest of each Unit. The Assessment against each Unit shall begin on the date specified in the Declaration. The Board of Directors, at any time, may propose a special assessment and such special assessment is effective if (1) the Board of Directors follows the procedures for ratification of a budget described herein and the Unit Owners do not reject the proposed special assessment, or (2) if by two-thirds vote of the Board of Directors it is determined that a special assessment is necessary to respond to an emergency, the emergency special assessment funds are expended only on account of the purposes described in the vote and notice of the emergency special assessment is provided promptly to all Unit Owners.
- (d) **Excess Funds.** Any funds collected during any fiscal year in excess of actual expenditures for that fiscal year shall be either applied to reserves, succeeding years' expenses or refunded, pro rata, to the Unit Owners.
- (e) **Reserves.** The Board of Directors 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 Unit Owner in any replacement reserve shall be appurtenant to the Unit and shall not be separately withdrawn, assigned or transferred. If the reserve is inadequate for any reason, the Board of Directors may levy a further Assessment, payable as the Board of Directors determines necessary at any time. The Board of Directors will specifically earmark such capital reserve fund for stated capital purposes and keep special assessments in a separate bank account. The Board of Directors shall keep documentation of and treat all such funds as capital items on the Association books.

- (f) **Working Capital Fund.** The Board of Directors shall establish a working capital fund which shall be used for the capital costs of the Development, including the purchase of cleaning and maintenance equipment, furniture and fixtures insurance fees. Additionally, capital 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 Board of Directors to prepare or adopt a budget for any fiscal year shall not constitute a waiver or release in any manner of a Unit Owner's obligation to pay their 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 Unit 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 Unit 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.

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

Section 5.3: **Collection of Assessments.** The Board of Directors, or their nominee, at the request of the Board of Directors, shall take prompt action to collect any Assessments for Common Expenses due from any Unit Owner that 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 Board of Directors shall establish from time to time. Any Unit 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, attorney's fees and costs shall become on the date such assessments are due, a lien against the Unit so assessed pursuant to Section 3-116 of the Act, and shall also be the personal obligation of the Unit Owner at the time the Assessments become due. The Association shall apply any sums paid by Unit Owners that are delinquent in paying Assessments in the following order: (a) unpaid assessments; (b) late charges; (c) reasonable attorney's fees and costs and other reasonable collection charges; and (4) all other unpaid fees, charges, fines, penalties, interest and late charges. The Association shall have the full rights of enforcement for collection of such assessments, including but not limited to foreclosure, all as more particularly set forth in Section 3-116 of the Act, as amended.

Section 5.4: **Association Records.** Beginning with all transactions of the Association occurring on or after January 1, 2012, the Association must retain all records required to be kept pursuant to Section 3-118 of the Act. Such records shall be available for examination and copying by a Unit Owner or the Unit Owner's authorized agent during reasonable business hours or at a mutually convenient time and location and upon five (5) days notice in a record or form reasonably identifying the specific records of the Association requested, subject to the Association's right to charge a reasonable fee for providing such copies either in electronic or paper means.

Section 5.5: **Statements.**

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

ARTICLE VI

Insurance and Maintenance, Repair and Replacement

Section 6.1: **Insurance Maintained by Lot Owner.** By virtue of taking title to a Lot, subject to the terms of the Declaration, each Owner covenants and agrees with all the other Owners and with the Association that each individual Owner shall carry blanket all-risk casualty insurance on non-Common Property of the Owner excluding the Dwelling, including but not

limited to the Owner's fixtures, equipment, personal property and contents within their Lot and Dwelling to the extent not covered by any insurance policy of the Association pursuant to Article XIII of the Declaration and a liability policy covering damage or injury occurring on the Lot and Dwelling as a result of actions caused by the Owner or the Owner's guests or invitees. The casualty insurance shall cover loss or damage by fire or other hazard, including extended coverage, vandalism, and malicious mischief, and shall be in an amount sufficient to cover the full replacement cost, if applicable, of any repair or reconstruction in the event of damage or destruction from any such hazard. The Owners shall name the Association and their respective Mortgagees and their successors and assigns as additional insureds, if required, and at the request of the Board of Directors, shall deliver to the Association a duplicate original of all policies covering any part of the Lot. A policy shall be in effect at all times.

Section 6.2: **Maintenance, Repair and Replacement.** Maintenance, Repair and Replacement. Maintenance, repair and replacement of the Common Elements and of the Units shall be as provided for in the Declaration, By-Laws and the Act. Each Owner shall afford the Association and the other Owners, and to their agents or employees, access across their Unit reasonably necessary for those purposes.

- (a) **By the Association.** The Board of Directors shall be responsible for the maintenance, repair and replacement (unless, if in the opinion of not less than a majority of the Board of Directors such expense was necessitated by the negligence, misuse or neglect of an Owner) of all of the Dwellings and Common Property (including the Limited Common Property if not properly maintained by each Lot Owner as hereinafter provided), the cost of which shall be charged to all Lot Owners as a Common Expense, and for the Association's share of the maintenance, repair and replacement of appurtenances and rights which service the Project; provided that each Lot Owner shall perform normal maintenance on the Limited Common Property appurtenant to their Lot as set forth in Article III, Section B(3) of the Declaration, as amended, the Rules and Regulations and as set forth in Section 5.7(b) hereinbelow.
- (b) **By the Owners.** Pursuant to Article III, Section B(3) of the Declaration, as amended and restated, and the Rules and Regulations, each Owner shall keep the Limited Common Property appurtenant to their Lot, including but not limited to the edging, mulching and weeding of any gardens and/or landscaping located behind the Unit, in good order and in a clean and sanitary condition, in order to maintain the appearance and condition of said Limited Common Property in keeping with the small village appearance of the Development. In addition, each Owner shall be responsible for all damage to any other Lot, Dwelling, Unit, garage or Common Property resulting from their failure to comply with this Section. Each Owner shall perform their responsibilities hereunder in such manner as shall not unreasonably disturb or interfere with the other Owners. Each Owner shall maintain the temperature in their Dwelling at all times at a level which will prevent the freezing of all water pipes of both the plumbing and heating systems. In the event that an Owner should fail to

perform any obligations required under this Subsection as may be determined by the Board of Directors, then the Board of Directors may provide for the performance of any such neglected obligation by whatever reasonable means it may determine in its sole discretion. In case of an emergency as determined by the Board of Directors, it may act immediately; and in all other cases pursuant to Article VI Section A(4) of the Declaration, the Board of Directors may act hereunder following ten (10) days written notice to the Owner. All expenses incurred by the Association as a result of taking action under this Section shall be chargeable to the Owner.

- (c) **Manner of Repair and Replacement.** All maintenance, repair and replacement hereunder shall be performed in a good and workmanlike manner. In addition, the Association shall have the right, but not the obligation, to maintain property not owned by the Association where the Board of Directors has determined that such maintenance would benefit the Owners. The Association shall also have the obligation to maintain such property not owned by the Association as required by any permit or approval for the Property issued by any governmental agency as set forth in the Declaration and Rules and Regulations of the Association.

ARTICLE VII

Miscellaneous

Section 7.1: **Amendments.** Except as otherwise provided herein or in the Act or the Declaration, as amended, these Bylaws may be amended only by the affirmative vote of at least sixty-seven percent (67%) of the Unit Owners entitled to vote on the matter and prepared, executed, recorded and certified on behalf of the Association by any Officer of the Association designated by resolution of the Board of Directors for that purpose or, in the absence of designation, by the President of the Association. In addition, any amendments of a material adverse nature to mortgagees shall be agreed to by mortgagees that represent at least fifty-one percent (51%) of the votes of Unit estates that are subject to mortgages.

Section 7.2: **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, electronically or if sent postage prepaid: (i) if to a Unit Owner, at the mailing or electronic 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 (ii) if to the Association or the Board of Directors, to the principal office of the Association or at such other address as shall be designated in writing to the Unit Owners pursuant to this paragraph. Notices of meetings shall be given in accordance with the requirements of these Bylaws and the Act.

Section 7.3: **Captions.** The captions herein are inserted only as matter of convenience and for reference, and in no way define, limit or described the scope of these Bylaws or the intent of any provisions thereof.


Section 7.4: **Gender.** The use of the masculine gender in these amended and restated 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 7.5: **Invalidity.** The invalidity of any provision of these Bylaws does not impair or affect in any manner the validity, enforceability or effect of the remainder, and in such event, all of the other provisions of these Bylaws shall continue in full force and effect.

Section 7.6: **Conflict.** These Bylaws are intended to comply with the requirements of the Act. In the event of any conflict between these Bylaws and the provisions of the Act, the provisions of the Act shall control. In the event of any conflict between these Bylaws and the Declaration, the Declaration shall control.

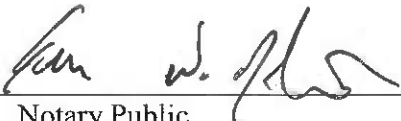
IN WITNESS WHEREOF, the undersigned hereby certifies that as of the 20 day of September, 2012, the foregoing is a true and accurate copy of the Amended and Restated Declaration of Covenants, Conditions, Restrictions, Easements and Liens and By-Laws of Inverness Owners Association, Inc. as adopted by resolution at a duly called and noticed meeting of the Association held on the 20 day of September, 2012 at which a quorum was achieved and the foregoing passed by at least sixty-seven (67) percent of the votes cast and that as of the date hereof, these resolutions have not been modified or rescinded and remain in full force and effect.

Inverness Owners Association, Inc.

By: 
Joseph Hameline, its President

STATE OF VERMONT
COUNTY OF CHITTENDEN, SS.

At South Ferrisburgh, in said County and State, this 20 day of September, 2012, personally appeared Joseph Hameline, President and Duly Authorized Agent of the Inverness Owners Association, Inc., and he acknowledged the within instrument, by him subscribed, to be his free act and deed and the free act and deed of the Inverness Owners Association, Inc.

Before me, 
Notary Public
Commission Expires: February 10, 2015