

BYLAWS
OF
HASTINGS MEADOW HOMEOWNERS ASSOCIATION, INC.

ARTICLE I

Plan of Unit Ownership

Section 1.1. **Applicability.** These Bylaws provide for the governance of the Hastings Meadow Common Interest Ownership Community (the "Community") located in Waitsfield, Vermont, and being more particularly described in the Declaration of the Hastings Meadow Common Interest Community (the "Declaration").

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

Section 1.3. **Office.** The office of the Community, 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 capitalized term used herein without definition shall have the meanings specified in the Declaration, to which these Bylaws are attached, as it may be amended from time to time, or as provided in the Vermont Common Interest Ownership Act (the "Act").

ARTICLE 2

Association

Section 2.1. **Composition.** The Hastings Meadow Homeowners Association (the "Association") shall consist of all Unit Owners acting as a group. The Association shall have the responsibility for administering the Community, establishing the means and methods of collecting Assessments for Common Expenses, arranging for the management of the Community, and performing all of the other acts that may be required or permitted to be performed by the Association, by the Act, and the Declaration. Except as to those matters that the Act specifically requires to be performed by the vote of the Association, the Board of Directors or their designee shall perform the foregoing.

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 meetings 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, and any elections or business transacted any annual meeting.

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

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

Section 2.5. **Notice of Meetings.**

- a. The Secretary shall mail by prepaid United States mail or hand deliver to each Unit Owner a notice of the place, date, hour and purpose or purposes of each annual and special meeting of Unit Owners. The notice shall be mailed or hand delivered not less than ten (10) days or more than sixty (60) days before the date of such meeting.
- b. 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 him or her of the time, place and purpose of such meeting.

Section 2.6. **Adjournment of Meetings.** 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 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. Unit Owners shall have one (1) vote weighted in accordance with their undivided Allocated Interest in the Common Elements pertaining to their Unit as allocated in Exhibit "C" to the Declaration, and joint owners of a Unit shall vote their one (1) vote collectively through one owner identified as the "voting member" in a writing filed with the Secretary.

Section 2.8. **Quorum.** Except as otherwise provided in the Bylaws, the presence in person or by proxy of fifty (50) percent or more of the votes of the Association shall constitute a quorum at all meetings of the Association.

Section 2.9. **Conduct of Meetings.** The President shall preside over all meetings of the Association. The Secretary shall keep the minutes of the meetings and shall record in a minute book all resolutions adopted at the meetings as well as keep a record of all transactions occurring at the meetings.

Section 2.10. **Action Without Meeting.** Any action by Unit Owners required or permitted to be taken at any meeting may be taken without a meeting if all of the Unit Owners entitled to vote on such matter(s) shall individually or collectively consent in writing to such action. Any such written consent shall be filed with the minutes of the proceedings of the Unit Owners.

ARTICLE 3

Board of Directors

Section 3.1. **Number and Qualifications.** A Board of Directors composed of not less than three (3) persons shall govern the affairs of the Association. The initial Board of Directors shall be appointed by the Declarant and shall hold office for the period of time specified in the Declaration. Except for the initial Board of Directors appointed by the Declarant, all Board members shall be Unit Owners. The Replacement Directors shall be elected to staggered terms, so that one-third of the directorships shall become vacant each year. An officer or agent of a corporate Unit Owner, or general partner of a partnership, or the beneficiary 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 a Director 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. Prepare an annual budget, in which there shall be established the Assessment for each Unit Owner for the Common Expenses of the Community (the "Common Expenses"). Assessments will be charged to the Owners of each Unit according to their Allocated Interest in the Common Elements and as necessary to cover the maintenance of Limited Common Elements Associated with Certain units, including shared driveways, septic systems and leachfields and other Limited Common Elements.
- b. Make Assessments against Unit Owners to defray the Common Expenses of the Community, establish the means and methods of collecting such Assessments from the Unit Owners including reasonable discounts, late fees, interest, penalties, and other costs of the collection including attorneys' fees, and establish the period of the installment payment of the Assessment for Common Expenses. Unless otherwise determined by the Board of Directors, the Assessments against each Unit Owner for each Unit Owner's proportionate share of the Common Expenses shall be payable in equal monthly installments, each such installment to be due and payable in advance on the first day of each month for such month.
- c. Provide for the operation, care, upkeep and maintenance of all of the Property and services of the Community.
- d. Designate, hire and dismiss the personnel necessary for the maintenance, operation, repair and replacement of the Common Elements, provide services for the Property and, where appropriate, provide for the compensation of such personnel and for the purchase of equipment, supplies and materials to be used by such personnel in the performance of their duties (which supplies, equipment and materials shall be deemed part of the Property).
- e. Collect the Assessments against Unit Owners, deposit the proceeds thereof in the bank depositories designated by the Board of Directors, and use the proceeds to carry out the administration of the Property.
- f. Make and amend the Rules and Regulations applicable to Unit Owners and occupants of Units.
- g. Open bank accounts on behalf of the Association and designate the signatories thereon.
- h. Make, or contract for the making of, repairs, additions and improvements to or alterations of the Common Elements, and for repairs to and restoration of the Common Elements, in accordance with

these Bylaws, after damage or destruction by fire or other casualty or as a result of condemnation or eminent domain proceedings.

- i. Enforce by legal means the provisions of the Declaration, these Bylaws and the Rules and Regulations and act on behalf of Unit Owners with respect to all matters as provided for in the Declaration, Bylaws, and law.
- j. Obtain and carry fidelity insurance and 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 these Bylaws.
- l. Keep books with detailed accounts in chronological order of the receipts and expenditures affecting the Property, and the administration of the Association, the Common Elements and any other expenses incurred. Such books and vouchers accrediting the entries thereupon shall be available for examination by Unit Owners, their duly authorized agents or attorneys, and the holders, insurers, and grantors of first mortgages, during general business hours on working days at the times and in the manner set and announced by the Board of Directors for the general knowledge of Unit Owners. All books and records shall be kept in accordance with good accounting practices.
- m. Borrow money on behalf of the Association when required in connection with any one instance relating to the operation, care, upkeep and maintenance of the Association; provided, however, that the consent of at least two-thirds of the votes of Unit Owners, obtained at a meeting duly called and held for such purpose in accordance with the provisions of these Bylaws, shall be required to borrow any sum which would cause the total debt of the Association to exceed Five Thousand Dollars (\$5,000.00).
- n. Acquire, hold and dispose of Units and mortgage the same if such expenditures and hypothecations are included in the budget adopted by the Association.
- o. Do such other things and acts 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.

Section 3.3. **Managing Agent.** The Board of Directors may employ for the Community a "Managing Agent" at a compensation to be established by the Board of Directors, provided such compensation be in an amount and on terms as would be negotiated between unrelated third parties for similar projects. Any contract established by the Declarant with a "Managing Agent" or similar agreement may be terminated at the option of the Board of Directors after the Declarant surrenders control of the Association on not more than ninety (90) days' notice.

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

Section 3.5. **Removal or Resignation of Members of the Board of Directors.** At any regular or special meeting of Unit Owners duly called, any one or more of the members of the Board of Directors may be removed with or without cause by a vote seventy-five percent (75%) of Unit Owners entitled to vote on the matter, and a successor may then and there be elected to fill the vacancy thus created. Any Director whose removal has been proposed by 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 Directors appointed by the Declarant, shall be deemed to have resigned upon the sale of his or her Unit.

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

Section 3.7. **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 a meeting shall be held at least following each meeting of the Association without notice. Notice of regular meetings of the Board of Directors shall be given to each Director, in the manner as from time to time determined by the Board of Directors.

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

Section 3.9. **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 3.10. **Quorum.** At all meetings of the Board of Directors a majority of the Directors shall constitute a quorum for the transaction of business, and the votes of a majority of the Directors present at a meeting at which a quorum is present shall constitute the decision of the Board of Directors.

Section 3.11. **Compensation.** No Director shall receive any compensation from the Association for acting as such.

Section 3.12. **Telephone Meetings.** Members of the Board of Directors may attend a meeting of the Board of Directors by means of a conference telephone or similar communications equipment by means of which all persons participating in the meeting hear each other. Participation in a meeting in such manner shall constitute presence in person at such meeting for purposes of establishing a quorum and/or majority.

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 if all of the members of the Board of Directors shall individually or collectively consent in writing to such action. Any such written consent shall be filed with the minutes of the proceedings of the 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 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 directors unless any such contract shall have been made in bad faith or contrary to the provisions of the Act, the Declaration or these Bylaws.
- b. Neither the Association nor the Board of Directors shall be liable for any failure of utility or other services to be obtained by the Association or paid for as a Common Expense, or for injury or damage to person or property caused by the elements or by any 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.

ARTICLE 4

Officers

Section 4.1. **Designation.** The principal officers of the Association shall be the President, the Vice President, the Secretary and the Treasurer, all of whom shall be elected by the Board of Directors. The Board of Directors may appoint an assistant treasurer, an assistant secretary, and such other officers as in its judgment may be necessary. The President shall be a member of the Board of Directors. After the Declarant's transfer of control of the Association, 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.

Section 4.2. **Election of Officers.** The officers of the Association shall be elected annually by the Board of Directors at the organization meeting 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 at any regular meeting of the Board of Directors or at any 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 Unit Owners from time to time as the President may in his discretion decide is appropriate to assist in the conduct of the affairs of the Association.

Section 4.5. **Vice President.** The Vice President shall take the place of the President and perform the duties of the President whenever the President shall be absent or unable to act. If neither the President nor the Vice President is able to act, the Board of Directors shall appoint some other member of the Board of Directors to act

in the place of the President, on an interim basis. The Vice President shall also perform such other duties as shall from time to time be imposed upon him by the 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 Five Hundred Dollars (\$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 Five Hundred Dollars (\$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 Director shall receive any compensation from the Association for acting as such officer.

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

ARTICLE 5

Operation of Community

Section 5.1. 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.** On or before forty-five (45) days preceding the end of the fiscal 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 Elements and those parts of 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 Unit Owners of all related services. 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. The Board of Directors shall send to each Unit Owner prior to the end of the fiscal year, a copy of the budget for the next fiscal year in a reasonable itemized form, which sets forth the amount of the Common Expenses and any special assessments payable by each Unit Owner. Such budget shall constitute the basis for determining each Unit Owner's Assessment for the Common Expenses of the Association. Unit Owners shall ratify the budget in accordance with the terms of the Declaration and the Act.
- c. **Assessment of Common Expenses.** The total amount of the estimated funds required from Assessments for the operation of the Community set forth in the budget adopted by the Board of Directors 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.
- d. **Excess Funds.** Any funds collected during any fiscal year in excess of actual expenditures for that fiscal year shall be either applied to succeeding years' expenses or refunded, pro rata, to 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 may levy a further Assessment, payable as the Board determines necessary at any time. The Board will specifically earmark such capital reserve fund for

- stated capital purposes and keep special assessments in a separate bank account. The Board shall keep documentation of and treat all such funds as capital items on the Association books.
- f. Working Capital Fund. The Board shall establish a working capital fund which shall be used for the start-up costs of the Community, including the purchase of cleaning and maintenance equipment, furniture and fixtures beyond that supplied by the Declarant and any initial insurance fees. Additionally, start-up costs shall include extraordinary expenditures, temporary operating deficits due to seasonal fluctuations, etc.
 - g. Effect of Failure to Prepare or Adopt Budget. The failure or delay of the 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 his or her allocable share of the Common Expenses as herein provided whenever the same shall be determined and, in the absence of any annual budget or adjusted budget, each 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. Payment of Common Expenses. No Unit Owner may exempt himself/herself from liability for his/her contribution toward Common Expenses by waiver of the use or enjoyment of any of the Common Elements or by abandonment of his or her Unit. All accounts not paid when due, including interest and costs, and reasonable attorneys' fees, shall be a lien against 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 the Managing Agent 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, attorneys' fees, and costs shall become on the date such assessments are due, a lien against a Unit so assessed, and shall also be the personal obligation of the Unit Owner at the time the Assessments become due.

Section 5.4. Statements.

- a. Statement of Common Expenses. Within ten (10) days after a request by a 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.
- 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 Bylaws and the Rules and Regulations, which is not cured within sixty (60) days of notice to each Unit Owner of such default.

ARTICLE 6

Miscellaneous

Section 6.1. Amendments. Except as otherwise provided herein, these Bylaws may be amended by affirmative vote at least sixty-seven percent (67%) of Unit Owners entitled to vote on the matter.

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

Section 6.3. Notices. All notices, demands, bills, statements or other communications shall be in writing and shall be deemed to have been duly given if delivered personally or if sent postage prepaid: (i) if to a Unit Owner, at the address which Unit Owner shall designate in writing and file with the Secretary or, if no such address is designated, at the address of Unit of such Unit Owner; or (ii) if to the Association or the Board of

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Directors, to the principal office of the Association or at such other address as shall be designated in writing to Unit Owners pursuant to this paragraph.

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

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

The undersigned hereby certifies that as of December, ²⁰⁰⁵~~2006~~, this is a true and accurate copy of the Bylaws of the Association adopted by resolution at the organization meeting of the Association held on December 29, ~~2006~~²⁰⁰⁵.


Secretary