

**INTERVALE
AT STRATTON**

**INFORMATION BOOKLET
Unit Owners**

(Distribution Date: July 2015)

**The information contained in this booklet will be updated annually, as needed, and distributed digitally to each unit owner.
Specific costs contained herein may be higher or lower depending on the prices in effect at the time.**

Table Of Contents

PARTS	TOPIC	PAGE
PART I	Rules and Regulations of Intervale Condominium Owners' Association, Inc	3
PART II	General Information	5
	Board of Directors	5
	Board Meetings	5
	Intervale Office	6
	Directory of Unit Owners	6
	Important Safety Concerns	7
	Security and Unit Checks	7
	Parking	8
	Snow Removal	8
	Trash and Recycling	8
	Dogs	8
	Maintenance, Repairs, and Services	9
	Intervale Work Order Request Form	10
	Rental or Lease of Individual Units	11
	Intervale Rental or Lease Addendum	12
	Firewood	13
	Fire and Liability Insurance	13
	Fire Extinguishers, Furnaces and Fireplaces	14
	Unit Interior Preventive Maintenance	15
	Directory of Local Services	16
PART III	By-Laws of Intervale Condominium Owners Association, Inc	17
	Article I Definitions	17
	Article II Location	18
	Article III Membership	18
	Article IV Voting Rights and Proxies	19
	Article V Property Rights and Rights of Enjoyment of Common Property	20
	Article VI Maintenance Assessment	21
	Article VII Association Purposes and Powers	24
	Article VIII Board	25
	Article IX Election of Directors; Nominations Committee	25
	Article X Powers and Duties of the Board	26
	Article XI Directors' Meetings	30
	Article XII Officers	31
	Article XIII Committees	32
	Article XIV Association Complaints, Disputes, Litigation and Enforcement	33
	Article XV Meetings of Members	34
	Article XVI Insurance	35
	Article XVII Books and Papers	39
	Article XVIII Corporate Seal	39
	Article XIX Resale Certificates	39
	Article XX Amendments	39
	Article XXI Additional Consents	40
	Article XXII Parliamentary Rules	40

PART I
Rules and Regulations of Intervale
Condominium Owners' Association, Inc.

In order that all members are treated fairly and equally and in order to keep Intervale a beautiful and desirable place in which to live, the Board of the Condominium Owners' Association (COA) has adopted and published the following Rules and Regulations.

THESE RULES MAY BE REVISED, MODIFIED OR TERMINATED AT ANY TIME AND ADDITIONAL RULES AND REGULATIONS MAY BE ADOPTED AND PUBLISHED AS DETERMINED APPROPRIATE BY A PROPER VOTE OF THE BOARD OF DIRECTORS OF THE COA.

1. No part of the Property shall be used for other than housing and common recreational purposes for which the Property was designed.
2. No trees shall be cut except where necessary in the course of ordinary and necessary maintenance or for safety reasons.
3. No alteration shall be made to Units that would create additional bedrooms, bathrooms, or kitchens nor shall anything be altered or constructed in or removed from Common Elements except upon the written consent of the Board of Directors.
4. The Common Elements shall not be obstructed nor shall anything be stored in a Common Element without prior consent of the Board except as hereinafter provided.
5. Each Unit Owner shall be obliged to maintain and keep in good state of preservation, repair, and cleanliness those portions of his/her own Unit which do not constitute Common Elements.
6. The exterior of the Units and all other appurtenant areas shall not be painted, decorated, or modified by any Owner in any manner without prior written consent of the Board of Directors. This consent may be withheld on purely aesthetic grounds within the sole discretion of the Board.
7. Unit Owners shall not allow anything to be hung or displayed on the outside of windows or exterior walls and no awning, canopy, shutter, or antenna, of any kind or nature, shall be placed upon exterior portions of Units or any Common Element or exposed at or through any window without prior written consent of the Board of Directors.
8. No animals of any kind shall be raised, bred, or kept in any Unit or in Common Elements, except that Unit Owners may keep their own dogs, cats, or other household pets, subject to rules and regulations adopted by the Board as may be necessary or desirable to regulate pets from time to time. All dogs must be on a leash and accompanied by their owners at all times when outside. Renters of units may not have pets and rental agreements should reflect this provision and the renter's acquiescence thereto.
9. Bicycles, kayaks, canoes, scooters, baby carriages and similar personal articles shall not be allowed to be stored in any Common Element or exist in Common Areas on any Deck or other exterior portion of a Unit without prior written consent of the Board of Directors.
10. Owners shall not disturb, annoy or otherwise allow anything to be done which will interfere with the rights, comfort, convenience, and privacy of other Owners or occupants.
11. Each Owner who plans to be absent from his/her Unit during periods of freezing temperatures must take reasonable steps and precautions to preclude freezing pipes and other hazards.
12. All garbage and refuse from a Unit shall be placed in garbage containers intended for such purpose in such a manner as directed by the Board of Directors.

13. Nothing shall be done in any Unit or in or on any Common Element which may impair the structural integrity of any building or which could structurally change any building.
14. No clothes, bedding, laundry, or other articles shall be hung from a Unit or hung in Common Elements. No clothesline or similar device shall be allowed on any portion of Common Elements or Limited Common Elements if visible from Common Areas.
15. Common areas shall be kept free of rubbish, debris, and other unsightly materials.
16. No Owner shall request or cause any employee or agent of COA to do any private business for the Owner except as approved in writing by the Board of Directors.
17. Agents and employees of the COA and any contractor or worker authorized by the COA may enter any Unit at any reasonable hour of the day for purposes permitted under the Declaration. Entry will be prearranged with the owner except under circumstances deemed an emergency by the COA in which case access is permitted regardless of the hour.

PART II

General Information

INTERVALE BOARD OF DIRECTORS

Intervale's Board of Directors consists of 6 elected unit owners. Two directors are elected or re-elected each year. The current directors can be found at www.intervalevermont.com.

BOARD MEETINGS

Board meetings are open to all unit owners. Notices of board meetings will be emailed to all unit owners at least two weeks prior to each meeting. The board tries to meet in March, June, September and December of each year. Executive Sessions are not open to unit owners unless specifically stated in the notice of the meeting.

Intervale Office

The Intervale office is located adjacent to the maintenance garage across from Turkey Run Road.

Staff:

Secretary: Karen Young
Maintenance Supervisor: Bill Joyce
Full-time Maintenance: Ray Barrows
Full-time Maintenance: Michael Bauch
Part-time Maintenance: Mark Russ

Contact information for the Intervale office:

Telephone number:
802 297-1637

Fax number:
802 297-3922

Mailing address:
P.O. Box 366, Bondville, VT, 05340-0366

Shipping address:
Stratton Mountain Road, Bondville VT 05340

Email address:
ivcoa@myfairpoint.net

Maintenance Staff Hours:

APRIL through MID-DECEMBER: Monday through Friday, 7:00 am to 3:00 pm
MID-DECEMBER through MARCH: Monday – Friday, 7:00 am to 3:00 pm (until 5:00 pm when the Intervale bus is running).

EMERGENCY CONTACT: Intervale's pager at 802 741-1605.

DIRECTORY OF UNIT OWNERS

A directory of all Intervale unit owners' names and contact information is available. Unit owners can obtain this information via email by contacting the Intervale office. This directory is also available on the Association website at www.intervalevermont.com. Your login is your name and unit number.

A printed copy of the directory of all unit owners is available at the Association office at a cost of \$15.00.

IMPORTANT SAFETY CONCERNS

1. Children under 12 years of age must be accompanied by an adult in order to ride the Shuttle Bus to and from the resort.
2. When removing ashes from the fireplace, make sure ashes have been cooling for three full days. Place ashes in a small metal can and check that there are no glowing embers. Cover and place this can in the outside metal garbage can.
3. No swimming in the pond during the summer and no ice skating in winter.
4. Park in designated parking areas only, this helps prevent accidents and allows for plowing. [See map at the end of the General Information Section of this booklet.]

SECURITY AND UNIT CHECKS

April through November the units are checked twice weekly. December through March the units are checked three times weekly (more if extremely cold weather persists). The purpose of the unit checks is to make sure that the heating systems are functioning properly and the appropriate room temperature is being maintained. This is particularly important in winter to make sure pipes do not freeze.

To assist the staff in ensuring the safety of your unit, please observe the following rules.

YEAR ROUND:

1. Shut and lock all doors and windows when unit is unoccupied for extended periods of time.
2. When you leave the unit for an extended period of time, make sure all appropriate appliances are turned off, including the ice maker. Also, turn off hot and cold water valves to the washing machine and sinks and toilets.
3. Check the rating of all light fixtures covered by wood grates, surrounded by wood, or controlled by dimmer switches. Do not insert bulbs with a higher rating than those specified on the fixture.

WINTER SEASON:

1. All items on the back deck, except grills, should be removed in winter to prevent damage from ice and snow and to allow for snow removal.
2. Leave cabinet doors under all sinks open to ensure appropriate heat circulation to prevent pipes from freezing. Also, leave front interior airlock door open.
3. Set thermostats between 55 - 60⁰F. Even though the units are checked frequently, this can help to prevent pipes from freezing if a problem occurs with the furnace between unit checks.
4. If you insist on leaving the thermostat at a temperature lower than 55⁰F, or if you shut your hot water off, you assume the risk for any consequent damage.

PARKING

The Intervale community is designed for two cars per unit. One car should be parked in the car port and a second car may be parked directly behind it. This rule applies to overnight parking and short-term parking as well. The second car should also be parked such that it does not block snow-plow access to the walkways

Extra cars must be parked in the overflow lot next to the maintenance garage and in other areas as indicated on the Intervale Map located at the end of the General Information Section of this booklet. This is very important all year because of safety vehicle access and in the winter months because of plowing and snow removal. One warning per unit will be given. If violations continue to occur, the unit owner will be fined. We also encourage you to cooperate with other unit owners in your cluster to prevent parking problems. Any unit owner who is blocked by an improperly parked vehicle may call a towing service and have the offending vehicle removed at the vehicle owner's expense.

The carports are not intended for use as storage for anything other than vehicles. Please contact the office if you need storage space.

SNOW REMOVAL

Snow removal can be a monumental task at times so your patience and cooperation are greatly appreciated. *Please remember that not everyone can be first.*

TRASH AND RECYCLING

Trash pickup is done twice weekly on Monday and Friday. Trash and recycling must be placed in clear plastic trash bags in order for your trash bags to be picked up. Clear plastic bags can be purchased from the Intervale office.

The Town of Winhall has a mandatory recycling program. Property owners, guests, housekeeping personnel and renters must cooperate. All glass, plastic, metal, cardboard, and paper must be recycled.

DOGS

Renters and guests are prohibited from having dogs on the grounds, and all rental contracts should reflect this policy.

Owners' dogs must be on a leash at all times when outside. Do not let dogs wander around the grounds or tie them up outside. Clean up dog waste and place in plastic bags. Plastic bags for this purpose have been provided at each of the four Doggy Stations throughout the complex. Tie the bag and then place it in the covered cans provided at each Doggy Station.

MAINTENANCE, REPAIRS, AND SERVICES

There are THREE general categories of maintenance, repairs, and services provided by the Intervale Maintenance Staff:

1. Outside Common Areas (flower beds, walkways, driveways, pond area)
2. External structure of each condo and the garage structure
3. Emergency maintenance, repairs, and services

Categories 1 and 2 above are considered community areas and are covered by the quarterly assessments. These tasks are scheduled by the Intervale Maintenance Staff after consultation with the Intervale Board. Category 3 tasks that are deemed an emergency by the Intervale Maintenance Staff will be handled immediately and may be dealt with before contact/permission is received from the unit owner. Once the emergency is brought under control, and no longer considered an emergency, the unit owner will be contacted and it will be up to the unit owner to arrange for a contractor and further repairs. The unit owner will be responsible for any expenses incurred in dealing with an emergency.

In addition, there is another specific category of maintenance, repair, and services which may, at the discretion of the staff and the Board of COA, be undertaken, ie Work requested by unit owners. This work will be billed to the unit owner at the following rates:

\$40.00 per hour during weekdays, 7:00 am – 3:00 pm
 \$60.00 per hour during all other times of day and night
 A Minimum half hour will be charged

Any materials needed for maintenance, repairs, and services will also be billed to the unit owner. The table below lists some examples of non-emergency maintenance, repairs, and services. Unit owners can request maintenance, repairs, and services by filing out the work order request below. This form can be downloaded from the Intervale website and mailed, faxed or emailed to the office. The form must be signed by the unit owner before any work is begun. Please recognize that the work will be done on a first-come-first-serve basis as time and capabilities permit. Not everyone can be first.

Table 1

EXAMPLES OF BILLABLE MAINTENANCE, REPAIRS, AND SERVICES*
Preparing individual unit for arrival of owners (limited to turning on lights and turning up heat) This service is not provided to renters
Moving furniture onto or off of deck for change of season
Taking furniture or other materials to transfer station or dump (additional dump fees may apply)
Repairs and maintenance inside individual units
Rodent and other pest control (other than annual ant treatment)
Opening doors for owners who have lost keys or locked themselves out of a unit This service is not provided to renters
Responding to computerized alarm systems in individual units
Securing new keys for owners This service is not provided for renters
Replacing light bulbs inside individual units

No services will be provided to renters without the owner's consent

*** As time and capabilities permit and at the sole expense of each requesting unit owner**

INTERVALE WORK ORDER REQUEST FORM

Unit Owner Requesting work: _____ Unit Number: _____

Date of Request: _____

Request Sent to Intervale Via: _____ FAX _____ email

Description of Work Requested:

Signature of Unit Owner _____

FOR OFFICE USE ONLY

Work Order Received: Date _____ Time _____

Work Completed: date _____ by _____

Hours Spent on Task:

Work Day hours: _____ x \$40 hour = _____

Outside work day hours: _____ x \$60 = _____

Total billable labor costs: _____

Total materials cost: _____

RENTAL OR LEASE OF INDIVIDUAL UNITS

All real estate agents must be advised of the following Rules and Regulations regarding the rental of individual units at Intervale.

1. Tenants are not allowed to have pets of any kind in the units.
2. Neither tenants nor real estate agents may contact the Intervale Maintenance Staff except for emergencies. All requests for maintenance, repairs, and services must be made to the individual unit owners.
3. Tenants must follow all trash and recycling instructions or their trash/recycling will not be picked up.
4. Tenants must follow all parking regulations. Repeated violations will result in the offending vehicle being towed at the expense of the vehicle owner.
5. Real Estate Agents may not make requests to the Intervale Maintenance Staff to open or prepare a unit for a tenant.
6. The Intervale Maintenance Staff will not respond to a request from a tenant unless an emergency exists.
7. The Intervale Board of Directors has established a policy that all Intervale rental lease agreements must include the following addendum:

INTERVALE RENTAL OR LEASE ADDENDUM

It is agreed and understood that Tenant has been made aware of, and will abide by, all Rules and Regulations of the Intervale Condominium Owners Association, Inc. that are contained in the "Information Booklet".

It is agreed and understood that Tenant will not allow more than six (6) adults in a 3-bedroom unit, eight (8) adults in a 4-bedroom unit, or ten (10) adults in a 5-bedroom unit to occupy or reside in the unit. The names of all tenants are listed below:

It is agreed and understood that Tenant will not allow more than two (2) cars to be parked at the unit at any time. Additional cars must be parked in the other designated parking areas.

It is agreed and understood that Tenant will observe all requests from the Intervale staff relative to vehicle parking so as to allow for snow removal, trash removal, and ready access to the units, parking spaces, and walkways. The tenant will not leave cars parked in front of any unit for more than 5 minutes for loading and unloading purposes.

It is agreed and understood by tenant that they are prohibited from having pets of any kind in the unit.

It is agreed and understood that Tenant will not play loud music in or outside of a unit after 10:00 pm.

It is agreed and understood by Tenant that the Tenant will observe Town of Winhall recycling rules. Tenant must separate regular trash from co-mingled recyclable waste (metal, plastic, glass) and paper/cardboard recyclable material.

It is agreed and understood by Tenant that violations of any of these provisions or any of the Rules and Regulations of the Intervale Condominium Owners Association may result in fines and/or eviction.

Lessor

Date

Lessee

Date

FIREWOOD

Firewood deliveries are made directly from the supplier to each unit. Therefore please allow at least 3 days from time of request to delivery of wood. If you want wood for a weekend visit, make sure you order by the Tuesday before your visit.

Each delivery is ¼ cord with kindling. Requests should be made to the Association office. Firewood will be billed by a separate invoice.

Unit owners who purchase firewood from another source should remind the delivery men not to drive on the walkways. Use only a brown or a clear plastic tarp (not blue) to cover the wood if desired.

FIRE AND LIABILITY INSURANCE

There are two types of insurance needed to protect all the units at Intervale: the Intervale Master Insurance Policy and individual unit owner's property and liability insurance.

The Association's Master Insurance Policy covers external structural property (roof, framing, carport, decks, common elements), and is provided by the Board of Directors and paid through the operating budget. This policy also covers Director's & Officers' employee dishonesty, auto, umbrella liability and workers' compensation. The Association's Master Insurance Policy also covers those components of a unit located inside the unit (ie carpeting, tile, appliances, lighting fixtures, etc or equivalent replacements thereof) that were delivered by the developer to the original owner exclusive of any improvements and betterments that were done by any owner after the original sale from the developer (ie kitchen and bathroom upgrades, flooring, upgrades, light fixture upgrades, etc).

An individual unit owner's casualty insurance policy covers everything inside the unit including contents, windows and doors. **IT IS THE RESPONSIBILITY OF EACH UNIT OWNER TO SECURE CASUALTY INSURANCE COVERAGE.** It is also the obligation of each unit owner to obtain liability insurance for accidents and slip and fall situations within their unit and for damage caused to other units for casualties that occur within a unit. Proof of unit owner's property and liability insurance coverage is to be submitted to the Intervale Office.

FIRE EXTINGUISHERS, FURNACES AND FIREPLACES

It is the VT State Fire Inspectors who determine the rules and regulations associated with fire safety. These rules and regulations are designed to minimize the risk of fire. Therefore:

1. The Maintenance Staff will arrange to have the chimney flues inspected and cleaned every year and bill this service to the unit owner.
2. New regulations require that every unit have combination carbon monoxide and smoke detectors in each bedroom and in hallways on each level. These detectors should be hard wired and have a battery backup in case of power outage. Adherence to this regulation is verified via State Fire Marshal inspections every five years.
3. The Smoke/carbon monoxide detector batteries and all fire extinguishers are inspected by the maintenance staff annually. The cost for this service and the replacement batteries will be billed to each unit owner.
4. Unit owners are encouraged to make arrangements with their fuel oil company to have furnaces cleaned every year. A thin layer of black soot on all interior surfaces indicates that you are overdue to have your furnaces cleaned. It is also recommended to have the fuel company "antifreeze" the heating system. Please inform the office as to who you have selected as your fuel oil distributor. This is to ensure that in case of an emergency with your heating system they will be able to contact the correct company for emergency service.
5. Due to the design and/or construction of the fireplace dampers, it is recommended that glass doors be installed. The damper can then be left open (without the threat of heat loss up the chimney) and a dying fire can safely be left unattended.
6. Please notify the staff immediately if you detect excessive heat on the mantle and/or the area under the mantle.

UNIT INTERIOR PREVENTIVE MAINTENANCE

The following is a list of items the Association recommends property owners inspect and, if necessary, have repaired or replaced to avoid problems.

1. Washing machine valves – a single lever valve that shuts off both hot & cold water to clothes washer. This valve can easily be shut off when the unit is not occupied.
2. Replace toilet supply valves, seals, and anchor bolts, these corrode and/or the seals can dry out. You can purchase the “Tank to Bowl Kit “from local hardware stores.
3. Check and replace if necessary saddle valves under kitchen sink, dishwasher, and ice maker
4. Furnace pressure feed valve – this supplies water to the furnace and if not working properly can cause disruption of heat and/or a noisy system.
5. Make sure you set the thermostat to between 55-60 degrees Fahrenheit in winter to ensure that pipes do not freeze. Any lower than that will be a problem

While staff makes inspections of the units on a regular basis to ensure the unit is secure and correct any obvious problems, they do not have the time to do an inspection of these items. A small amount of your time to review these and arrange for any necessary repairs could prevent untimely problems.

DIRECTORY OF LOCAL SERVICES

DISCLAIMER: Various unit owners have used many of the following contractors/service providers in the past. They are provided here for your convenience.

UTILITY/SERVICE	COMPANY	ADDRESS	TELEPHONE
Appliances Sales and Service	P & F Appliances	Manchester Center VT 05255	O 802 362-3706
Cable/Internet/Telephone	Comcast		(855) 253-5401
	Direct TV		800-531-5000
Chimney Service and Repair	Vermont Master Chimney	Londonderry, VT	802-824-6374
Carpets and Flooring	Manchester Carpet	Manchester VT	802-362-2091
Electric Co	Green Mountain Power	77 Grove St Rutland VT 05701-3403	O 1-800-649-2877
Electrician	Aaron Electric	Jamaica VT	802-896-6209
Exterminator	Abatem Exterminating	Colrain, Mass	413-733-0455
Housekeeping	Jeanne Macintyre		
	Maid-to-order		
	Judy Seer		
	Linda Bolton		
Health Services	Mountain Valley Health Center		
	Otis Clinic Health Care		
	Grace Cottage		
Heating Oil	Cota & Cota(Kearley Fuel)	40 Vermont 30 Winhall VT 05340	802 297-0000
	Dorr Oil	Manchester Center VT 05255	1-802-362-1950
	Johnson's Fuel Service/Suburban		
Intervale Keys	DM Lock and Security		802 297-3641 802 362-2788
Plumbing	Bob Cauley's Plumbing and Heating	PO Box 391 Manchester CTR VT 05254	O 802 362-1443 M 802 558-2219
	Mountain Plumbing	660 Wideawake Rd Manchester Ctr, VT 05255	802 362-2215
	William (Bill) Farace Jr	1245 Burpee Pond Rd Windham VT 05350	802 874-8157 802 380-5204
Remodeling	Nathan Fuller		
	Mike Bills		
	Tom Hon		802-688-4661
Telephone Service	Fairpoint Communications	PO Box 5200 White River Junction VT	1-802-984-2001

		05001	
Window Washing	Jambo Windows		802-824-5976

PART III
By-Laws Of
Intervale Condominium Owners Association, Inc.

ARTICLE I
Definitions

“Act” shall mean the Vermont Uniform Common Interest Ownership Act contained in the Vermont Statutes Annotated in Title 27A Sections 101 et seq.

“Assessment” shall have the meaning ascribed to it in Article 2 Section 3 of the Declaration and to the extent not inconsistent therewith the meaning ascribed to it in Article IV Section 1 of these By-Laws.

“Association” shall mean and refer to the "Intervale Condominium Owners Association, Inc.", a non-stock, non-profit corporation existing under the laws of the State of Vermont.

“Board” shall have the meaning ascribed to it in Article 2 Section 4 of the Declaration.

“Common Properties” shall mean the Common Area and Common Elements as set forth in Article 2 Section 8 of the Declaration and to the extent not inconsistent the open spaces, parks, commons and streets, together with such other properties as may be made a part thereof for the benefit and enjoyment of the owners and residents within The Properties.

“Declaration” shall mean and refer to the original Declaration as amended. The original Declaration was filed with the Town Clerk of Winhall, Bennington County, Vermont at Book 60 at Page 371 et seq. (providing for 16 Units in Phase I) and was amended by Amendment Number 1 which is filed at Book 65 at Pages 415 through 419 which provided for an additional 23 Units in Phase II, Amendment Number 2 which is filed at Book 71 at Pages 370 through 375 which provided for an additional 22 Units in Phase III and Amendment Number 3 which is filed at Book 174 at Page 343 which provided for an additional 29 Units in Phase IV which completed the development of the residential building and structures at Intervale at Stratton. In addition Amendment Number 4, recorded 4/16/90 at Book 84 at Page 90 and re-recorded 11/27/06 at Book 174 at Page 351, Amendment 5, recorded 11/27/06 at Book 174 at Page 354, and Amendment 6, recorded 11/27/06 at Book 174 at Page 358-363, have been filed with the Town Clerk of Winhall, Bennington County, Vermont dealing with insurance and Declaration and By Law amendment issues.

“Gender Specification”. Wherever in this document reference is made to a male or female gender, such term shall not be determinative and shall be equally applicable to both genders irrespective of the person fulfilling the role or position or performing the duty indicated or referenced.

“Member” shall mean an owner or Unit Owner as set forth in Article 2 Section 21 of the Declaration.

“Precedence of Declaration”. These By-Laws are set forth to comply with the Act and Declaration and in the event any of the provisions of these By-Laws conflict therewith, the provisions of the Act or Declaration shall control.

“Special Assessment” shall have the meaning ascribed in Article VI Section 1 of these By-Laws.

“The Properties or Properties” shall mean and refer to the Project or Condominium as set forth in Article 2 Section 24 of the Declaration and to the extent not inconsistent therewith the fee simple interest in all those certain

pieces or parcels of land together with all of the buildings, improvements and structures contained thereon known as Intervale at Stratton.

“Unit” shall mean a portion of the Properties which was designed and intended for individual ownership as identified in the Declaration.

Capitalized or definitional terms used herein and not otherwise defined shall have the meanings ascribed to such terms in the Declaration.

ARTICLE II
Location

The principal office of the Association shall be as designated by the Board from time to time but shall be in the Town of Winhall (Bondville) Vermont. The Association shall maintain a mailing address either at its principal office or at a Post Office Box with the United States Postal Service location in the Town of Winhall, Vermont or in the event that there is no United States Postal Service location in the Town of Winhall, Vermont then in an adjacent Town which has a United States Postal facility located in such Town.

ARTICLE III
Membership

Every person or entity who is a record owner of a fee or undivided fee interest in any Unit as set forth in the land record indices of the Town of Winhall (Bondville), Vermont shall automatically be a Member of the Association and be bound by the terms of the Declaration, these By Laws and the Rules and Regulations of the Association, whether or not such membership is referred to in the owner’s deed of conveyance, provided that any such person or entity who holds such interest merely as a security for the performance of an obligation shall not be a Member. Membership shall exist only during the period of ownership of a fee or undivided fee interest in any Unit. Acceptance of the fee or undivided fee interest in a Unit shall be deemed acceptance and ratification by such person or entity of its or their obligation to be bound by the terms of the Declaration, these By Laws and the Rules and Regulations of the Association.

ARTICLE IV
Voting Rights and Proxies

Section 1. Members shall be all those owners as defined in Article III. Each Member owning a Unit designated as an A Type Unit shall be entitled to a voting interest of 1.091% and each Member owning a Unit designated as a B Type Unit shall be entitled to a voting interest of 1.274%. When more than one person holds such interest or interests in any Unit, all such persons shall be Members, and the vote for such unit shall be exercised as they themselves determine, but in no event shall be more than one vote be cast with respect to any such Unit.

Section 2. At all meetings of Members, each Member may vote in person or by proxy. A personal representative, guardian or trustee of any Member may vote in person or by proxy at any meeting of the Association with respect to any Unit owned or held by such Member in such capacity, whether or not the same shall have been transferred to his, her or its name, provided that he, she or it shall satisfy the Secretary that such person is the personal representative, guardian or trustee holding title to such Unit in such capacity.

Section 3. All proxies shall be in writing, shall, unless otherwise indicated, designate the Secretary of the Association to exercise the proxy in accordance with its terms and be delivered to the Secretary at least one day prior to

a designated meeting or vote. No proxy shall extend beyond a period of eleven (11) months, and every proxy shall automatically cease upon sale by the Member of the Unit. Each proxy shall specify the action to which the Member wishes a vote to be cast and the nature of the vote to be cast. Each proxy, unless otherwise stated, shall not entitle the holder of the proxy or designated individual to vote on matters not specified in the proxy. Each proxy may be withdrawn by any Member giving same, if such Member appears at a meeting or vote and desires to vote in person, but such Member shall withdraw and nullify the proxy previously tendered prior to such Member's casting of his or her actual vote.

Section 4. Upon the request of a Member, the vote of any Member or by such Member's proxy may be by secret ballot or in such other manner which would result in such vote not being disclosed to anyone other than the person responsible for counting the votes.

ARTICLE V
Property Rights and Rights of
Enjoyment Of Common Property

Section 1. Each Member shall have a right and easement of use and enjoyment in and to the Common Properties and facilities provided by the Declaration and such right and easement shall be appurtenant to and shall pass with the title to every Unit so long as title to such Common Properties remains in the Association subject to the following:

- (a) the right of the Association to suspend the rights of any Member to the use and enjoyment of any Common Properties for any period during which any Assessment remains unpaid and for any violation of the Association's published rules and regulations, provided however that prior to implementation of any such suspension, the Board shall have provided such Member with written notice and an opportunity to show cause to the Board why such suspension should not be imposed; and
- (b) the right of the Association to charge reasonable fees for use of the Common Properties.

Section 2. Any Member may delegate his rights of enjoyment in the Common Properties and facilities to his or her family members or tenants who reside upon The Properties or to guests of such Member, family members or tenants. Such Member shall notify the Secretary in writing of the name of any tenant or guest to whom such rights have been delegated. The rights and privileges of such tenant and any family members of a Member and any guests are subject to suspension to the same extent to those of the Member.

ARTICLE VI
Maintenance Assessments

Section 1. Each Member by acceptance of a deed to a Unit, whether or not it shall be so expressed in any deed or other conveyance, shall be deemed to covenant and agree to pay to the Association: (1) quarterly, semi annual and/or annual Assessments ("Assessment") or charges, (2) Special Assessments for capital improvements, either or both of which Assessments to be fixed, established and collected from time to time as hereinafter provided and (3) in the event of the commencement of civil action by a Member in which the Member does not prevail, or against a Member in which the Association prevails, the costs incurred by the Association in responding to and defending the claims of such Member as is more particularly set forth in Article XIV. The Assessments and Special Assessments, together with such interest thereon and costs of collection thereof as hereinafter provided, shall be a lien and charge on the Unit of such Member and shall be a continuing lien upon the Unit of such Member against which each such Assessment is made. Each such Assessment and/or Special Assessment, together with such interest thereon and cost of collection thereof as hereinafter provided, shall in addition to being a lien and charge on the Unit shall also be the personal obligation of the

Member who was the owner of such property at the time when the Assessment and/or Special Assessment fell due and any subsequent owner of such Unit whether such subsequent owner takes by deed, assignment, devise or inheritance.

A lien for common expense Assessments and/or Special Assessments is not affected by the sale or transfer of a Unit unless a foreclosure of a first mortgage loan is involved. A foreclosure will extinguish the lien for any Assessments and/or Special Assessments before the foreclosure sale but will not relieve any subsequent Member from paying further Assessments and/or Special Assessments or the balance of any unpaid Special Assessment.

Section 2.

A. An Assessment levied by the Association shall be a quarterly, semi annual or annual Assessment if it shall be based upon the budget presented by the Board and the funds contemplated by the budget are to be used exclusively for the purpose of routine maintenance of the Properties, promoting the recreation, health, safety and welfare of the residents in The Properties in accordance with past years activities and/or for the maintenance of services and facilities related to the use and enjoyment of the Common Properties and of the Units situated upon The Properties in accordance with past years activities. Quarterly, semi annual or annual Assessments shall include, but not be limited to:

- 1) The cost, to the extent the following are not separately metered or billed to each Unit, of utilities, garbage and trash collection, television and radio distribution systems, and recreational facilities directly or through an independent contractor;
- 2) The cost of fire and extended coverage and liability insurance on the Properties and the cost of such other insurance as the Association may effect;
- 3) The cost of a management agent and other personnel necessary for the operation of the Properties and the Association;
- 4) The cost of legal and accounting services necessary;
- 5) The cost of maintaining, painting, replacing, repairing and landscaping the Common Elements and such furnishings and equipment for Common Elements as the Board shall determine are necessary and proper. The Board shall have the exclusive right and duty to acquire the same;
- 6) The cost of any and all materials, supplies, labor, services, taxes, Assessments or the like necessary for operation of Common Elements; however, if any of these benefit particular Unit(s), the cost thereof shall be specifically assessed to the Owner(s) thereof;
- 7) The cost of maintenance or repair of any Unit reasonably necessary to protect Common Elements or to preserve the appearance or value of the Properties; provided that no such actions shall be taken without the Board's resolution and without reasonable notice to the Owner; provided further that the cost thereof shall be assessed to the Owner and shall be due, payable and enforceable by a lien;
- 8) Any amount necessary or desirable to be placed in a reserve fund for replacements; and
- 9) To perform any previously adopted Special Assessments.

B. An Assessment levied by the Association shall be a Special Assessment if used or proposed to be used for the purchase or acquisition of recreation, health, safety items, programs or facilities or the acquisition or implementation of services and facilities related to the use and enjoyment of the Common Properties and of the Units

situated upon The Properties not previously in existence. Special Assessments shall include, but not be limited to, swimming and wading pools, tennis or paddle ball courts, playgrounds and playscapes, barbeque pits, horseshoe, volleyball, badminton, shuffleboard and similar gaming areas.

C. For those Owners who maintain membership status in the Stratton Sports Club, the amount of the Assessment from the Stratton Sports Club according to the then published rates which involve family size and other factors upon which different rates may be chargeable shall be the responsibility of the Members individually for payment directly to the Stratton Sports Club. Each Member shall also be responsible individually for any incidental fees charged for use of the facilities by the Stratton Sports Club for Members, their family members, guests or invitees.

Any common expense benefiting less than all of the Units or caused by conduct of less than all those entitled to occupy the same, shall be especially assessed against Unit(s) involved. Determination by the Board that the cause or benefit of any expense(s) may be so limited shall be conclusive.

Section 3.

A. The Assessment will be fixed by vote of the Board based upon a budget developed by the Board and presented at the Annual Meeting. The Assessment shall be deemed adopted unless objected to by greater than one-half (50.01%) of those Members present and voting in person or by proxy at the Annual Meeting of Members provided that the budget containing the Assessment has been transmitted as set forth below not less than thirty (30) days prior to the Annual Meeting to all Members. In the event that an Assessment is not approved at the Annual Meeting then the last passed Assessment shall continue in effect until a new Assessment is presented and not disapproved at an adjourned meeting of the Members after a new budget is transmitted to all Members with not less than thirty (30) days opportunity of the Members to review such new Assessment prior to the date of the adjourned meeting.

The Board shall in each year, meet and propose a budget which shall constitute the basis for the calculation of the Assessment for the next calendar year, based upon the complete prior annual year expenses, the current year to date expenses and the anticipated next full annual year expenses. The proposal for budget and the anticipated Assessment for each Member shall be transmitted by hand delivery, mail, fax or electronically to all Members for review with such detail and back up as the Board shall determine to be appropriate.

B. Any Member may propose to the Board items, projects, services or facilities which, if adopted, would create the need for a Special Assessment against the Members. If the Board deems it appropriate, the Board may at any Annual Meeting or any Special Meeting, specifically called for the purpose of considering such Special Assessment, present or allow the Member proposing the items, projects, services or facilities which, if adopted, would create the need for a Special Assessment against the Members to make a presentation with respect to such proposal.

Special Assessments shall be voted on separately from Assessments, if considered at an Annual Meeting, and shall require the affirmative vote of not less than sixty-seven (67%) percent of all Members. In any vote on a Special Assessment, the proposal shall contain the specific amount of the Assessment to be made against each Member and the payment schedule or one time payment due date which may be voted upon with the Special Amendment or as a separate item of business but if voted upon as a separate item of business, approval shall not be deemed to have occurred unless there shall be the affirmative vote of not less than sixty-seven (67%) percent of all Members.

Section 4. The quarterly Assessment, if adopted, shall be due and payable on each February 1, May 1, August 1 and November 1 of each calendar year, the semi annual Assessment, if adopted, shall be due on January 1 and July 1 of each calendar year and the annual Assessment, if adopted, shall be due and payable on January 1 of each calendar year. If any Assessment or installment thereof is not paid within thirty (30) days of the due date thereof such delinquent Assessment amount shall bear interest at the rate of 1.5% per month on any unpaid balance. Special Assessments shall be due and payable as voted by not less than sixty-seven (67%) percent of all Members.

The Treasurer of the Association shall upon request of any Member, once without charge in each calendar year and thereafter upon payment by such Member of a fee of \$25.00 per request, furnish to any Member liable for an Assessment and/or Special Assessment a certificate in writing signed by the Treasurer setting forth whether or any Assessment and/or Special Assessment has been paid and if not paid the amount with interest then due. Such certificate shall be conclusive evidence of payment or non payment of any Assessment and/or Special Assessment.

Section 5. The voting rights of any person whose interest in The Properties is subject to any Assessment which remains unpaid after thirty (30) days after the due date therefore, or any Special Assessment which remains unpaid after the thirtieth (30th) day after the date determined to be due and payable in the resolution or vote approving such Special Assessment, may be suspended by action of the Board during the period when the Assessments remain unpaid; but, upon payment of such Assessment, interest, fees and costs associated therewith, such Member's rights and privileges shall be restored. The membership obligations of such Member shall continue during any suspension period.

ARTICLE VII Association Purposes and Powers

Section 1. The Association does not contemplate pecuniary gain or profit, direct or indirect, to its Members. The purpose for which the Association is formed is:

- a) Establishing an Assessment by estimating common expenses to be incurred during each fiscal year, collecting Assessment amounts on a quarterly, semi annual or annual basis and levying and collecting Special Assessments for the purposes set forth in the Declaration or as approved by 67% of the Members, causing the Association to have sufficient funds to perform obligations imposed upon it by the Act, Declaration and By-Laws;
- b) Causing the Properties to be maintained in good condition and repair with adequate security;
- c) Regulating use and enjoyment of the Properties to promote enjoyment thereof by all parties entitled to benefits therefrom;
- d) Causing the Association to comply with all obligations related to insurance coverage contained in applicable provisions of the Federal National Mortgage Association Conventional Home Mortgage Selling contract Supplement and as specified in the Declaration;
- e) Causing the Association to provide all documents and to undertake all activities specified in the Declaration for the benefit of mortgagees;
- f) Causing personnel necessary for the proper operation of the Properties to be employed;
- g) Entering into all other contractual arrangements deemed necessary or appropriate by the Board to permit the Properties to comply with requirements of the Act, Declaration or these By-Laws and
- h) insofar as permitted by law, to do any other thing that, in the opinion of the Board, will promote the common benefit and enjoyment of the residents of The Properties.

Section 2. Dissolution. In conjunction with any voluntary or involuntary dissolution and prior to any final decree of dissolution of the Association, the Association shall cause all liens or other encumbrances which are outstanding against the Properties, if any, to be released and discharged.

ARTICLE VIII
Board

Section 1. The affairs of the Association shall be managed by a board of six (6) directors; two (2) elected each year for a three (3) year term. All directors are to be Members.

Section 2. Vacancies in the Board shall be filled by appointment by the majority of remaining directors, any such appointed director to hold office until his or her successor is elected by the Members or at any special meeting duly called for that purpose.

ARTICLE IX
Election of Directors; Nominations Committee

Section 1. Election to the Board shall be by voice vote or written ballot if requested by any Member in attendance at the Annual Meeting or other meeting held for such purpose as hereinafter provided. At such election, the Members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration and these By-Laws. The name receiving the largest number of votes for each vacancy shall be elected.

Section 2. Nominations for election of the Board shall be made by a Nominations Committee which shall be one of the standing committees of the Association.

Section 3. The Nominations Committee shall consist of a chairman, who shall be a member of the Board, and two or more Members of the Association. The Nominations Committee shall be appointed by the Board prior to each Annual Meeting of the Members to serve from the close of such Annual Meeting until the close of the next Annual Meeting. The Members of the Nominations Committee appointed by the Board shall be announced at each Annual Meeting.

Section 4. The Nominations Committee shall make as many nominations for election to the Board as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations may be made from among Members, as the committee in its discretion determine. Nominations shall be placed on a written ballot as provided in Section 5 and shall be made in advance of the time fixed in Section 5 for the delivery of such notice to Members. This ballot shall serve as a proxy document if signed by a Member and presented to the Secretary as provided for in Article XV.

Section 5. All elections to the Board shall be made on voice vote or written ballot if requested by a Member in attendance at the Annual Meeting of the Members. If by written ballot, the ballot shall: (a) describe the vacancies to be filled; (b) set forth the names of those nominated by the Nominations Committee for such vacancies; and (c) contain a space for a write-in vote by the Members for each vacancy. Notice of those Members proposed for election to the Board shall be transmitted with the proposed budget not greater than thirty (30) days prior to such Annual Meeting. Ballots shall be distributed at the meeting to those who attend.

Section 6. Each Member shall be entitled to the number of votes equal to the percentage ownership interests in the common elements as set forth in the Declaration (also set forth in Article IV Section 1 of these ByLaws). Members shall exercise on each vote, ballot or proxy only one vote for each vacancy shown thereon.

The vote of each Member shall not be divisible nor may the vote thereof be cast in part. Whenever any Unit is owned by two or more persons jointly according to the records of the Association, the vote of such Unit may be exercised by any one of the Owners then present, in the absence of a protest of the co-owner(s). In the event of such a protest, no one co-owner shall be entitled to vote without the approval of all co-owners. In the event of disagreement among the co-owners, the vote of such Unit shall be disregarded completely in determining the proportion of votes with respect to the matter at hand.

ARTICLE X
Powers and Duties of the Board

Section 1. The Board shall have all powers and duties necessary for administration of the affairs of the Association and the Properties and may do all such acts and things as are by law or by these By-Laws directed to be exercised and done by the Association. Powers and duties of the Board shall include, but not be limited to, the following:

- a) The care, upkeep and surveillance of all Common Elements and services to the Properties.
- b) The establishing and collecting of Assessments or carrying charges from Members and enforcement of liens therefore in a manner consistent with the Act and Declaration.
- c) Designating, hiring or dismissing personnel necessary for the good working order of the Properties and for proper care of Common Elements and to provide services for the Properties.
- d) Promulgating and enforcing such rules and regulations and such restrictions or requirements as may be deemed proper respecting the use, occupancy and maintenance of the Properties and use of the Common Elements.
- e) Performing all such acts as may be authorized by resolution of the Association which is not inconsistent with the Act and Declaration.
- f) To call special meetings of the Members whenever it deems necessary and it shall call a meeting at any time upon written request of not less than 23 of the voting Members, as provided in Article XV, Section 2.
- g) To appoint and remove at its pleasure any officer, agents, or employee of the Association, prescribe their duties and require of them such security or fidelity bond as it may deem expedient. Nothing contained in these By-Laws shall be construed to require the Association to compensate any Member, officer or director of the Association in any capacity whatsoever in the performance of Association business or duties, provided however that nothing shall prohibit the Board from engaging any Member in a professional capacity to render legal, accounting, maintenance or other services to the Association upon fair and reasonable terms.
- h) To exercise for the Association all powers, duties and authority vested in or delegated to this Association, except those reserved to the meeting or to Members in the Declaration.
- i) In the event that any Director shall be absent from three (3) consecutive regular meetings of the Board, the board may by action taken at the meeting during which said third absence occurs, declare the office of said absent director to be vacant and the Board upon such action shall have the authority to appoint a substitute director for the remaining term of such absented director. In addition to the foregoing, all or any number of Directors may be removed, with or without cause, at a meeting of Members expressly called for that

purpose by vote of not less than fifty four (54) Members in good standing and having the right to vote in an election of Directors. Furthermore, any Director who ceases to be a Member entitled to vote shall cease automatically to be a Director and said position shall be filled by a majority of the Board remaining in office.

Section 2. It shall be the duty of the Board:

(a) To cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the Members at the Annual Meeting of the Members or at any special meeting when such is requested in writing by not less than twenty three (23) of the voting Members and upon the written request of any Member to distribute a written record of the minutes of any requested meeting or action taken or considered.

(b) To supervise all officers, agents and volunteers of this Association, and to see that their duties are properly performed.

(c) To fix the amount of the Assessments against each Unit for each year;

(d) To prepare a roster of each Unit owned by a Member and Assessments applicable thereto which shall be kept by the Treasurer of the Association and shall be open to inspection by any Member; and

(e) To send written notice by regular mail, hand delivery, facsimile or electronic transmission of the budget, proposed Assessment and nominations for the Board to each Member not less than thirty (30) days prior to each Annual Meeting.

(f) To issue, or to cause an appropriate officer to issue, upon the written request by any Member a certificate setting forth whether any Assessment has been paid. Such certificate shall be conclusive evidence of any Assessment therein stated to have been paid.

Section 3. No compensation shall be paid to any Director by the Association for services as a Director unless payment of such compensation is first approved by vote of not less than forty five (45) Members having the right to vote in an election for Directors. No remuneration shall be paid to any Director who is also a member of the Association for services performed by him for the Association in another capacity unless a resolution authorizing such has been adopted by the Board. Any Director shall be entitled for out-of-pocket expenses incurred in performance of his duties provided that no expense in excess of \$25.00 shall be paid without being approved in advance by the Board and all reimbursements made or authorized by the Board to any Director shall be reported annually to the Members.

Section 4. The Board shall engage the services of an individual or firm to act as manager and may employ or instruct such manager to employ such other personnel necessary from time to time for maintenance, upkeep and repair of the Common Elements. The Board shall determine the compensation to be paid to such manager and to such other personnel, and such compensation shall constitute a common expense.

The Association shall not employ any new management agent without ninety (90) days prior written notice to all Institutional First Mortgagees. The Association shall not fail to employ a professional management Agent without prior written approval of the required number of Institutional Mortgagees. The contract of the Management Agent may not be assigned without prior written approval of the Association.

Section 5. The Board or manager shall contract from time to time for services of lawyers and certified public accountants as needs of the Association demand. At any time any Owner at his own expense

may cause an audit or inspection to be made of the books and records of the Association.

Section 6. The Board shall adopt from time to time such written Rules and Regulations as may be necessary or desirable to govern the details of the operations and use of the Common Elements. Such rules and restrictions may provide or restrict use by Members so as to maintain and prevent unreasonable use of Units or Common Elements.

Section 7. The Association may indemnify every Director against any and all expenses, including counsel fees, reasonably incurred by or imposed upon any Director in connection with any action, suit or other proceeding (including settlement of such suit or proceeding if approved by the then Board) to which he or she may be a party by reason of being or having been a Director of the Association whether or not such person is a Director at the time such expenses are incurred, except to the extent such liability, damage or injury is covered by any type of insurance.

Directors of the Association shall not be liable to the Association for any mistake of judgment, negligence or otherwise, except for their own willful misconduct or bad faith. Directors of the Association shall have no personal liability with respect to any contract or other commitment made by them in good faith on behalf of the Association or the Properties (except to the extent that such Directors are also Members)

The Association may indemnify and forever hold harmless each such Director against all liability to others on account of such contract or commitment. Any right to indemnification provided for herein shall not be exclusive of any other rights to which any present or former Director of the Association may be entitled.

Section 8. The Directors shall exercise their powers and duties in good faith and with a view to the interest of the Association and the Properties. No contract or other transaction between the Association and one or more of its Directors or between the Association and any corporation, firm, association in which one or more Directors of the Association are directors, officers or principals or are peculiarly or otherwise involved is voidable because such Director(s) are present at the meeting of the Board or any committee thereof which authorizes or approves the contract or transaction or because his or their votes are counted for such purposes if any of the conditions specified in the following exist:

- a) The contract or transaction is commercially reasonable to the Association at the time it is authorized or approved; and,
- b) The fact of common directorate or interest is disclosed or known to Members or a majority thereof, and they approve or ratify the contract or transaction in good faith by a vote sufficient for the purpose; or
- c) The fact of the common directorate or interest is disclosed or known to the Board or a majority thereof or noted in the minutes, and the Board authorizes or approves the contract or transaction in good faith by a vote sufficient for the purpose.

Common or interested Directors may be counted in determining the presence of a quorum at any meeting of the Board or committee which authorizes or approves any contract or transaction and may vote to authorize any contract or transaction with like force as if he were not such officer or Director of such other corporation or not so interested.

ARTICLE XI
Directors' Meetings

Section 1. Regular meetings of the Board shall be held not less than quarterly and more frequently as deemed necessary. Directors meetings shall be open to the Members. The manager and such of the employees as the Board shall determine shall also be invited to attend the meetings of the Board unless the Board shall determine that the nature of the discussions or business to be conducted suggests that the manager and/or all or certain employees should not be in attendance.

Section 2. The method of notice for such regular meeting will be determined by the Board.

Section 3. Special meetings of the Board shall be held when called by any officer of the Association or by any two (2) Directors after not less than seven (7) days' notice to each Director.

Section 4. The transaction of any business at any meeting of the Board, however called and noticed, or wherever held, shall be as valid as though made at a meeting duly held after regular call and notice if a quorum is present and, if either before or after the meeting, each of the Directors not present signs a written waiver of notice or submits an electronic message waiving such notice as to such Director, or a consent to the holding of such meeting, or an approval of the minutes thereof. All such waivers, consents or approvals shall be filed with the Association records and made part of the minutes of the meeting.

Section 5. Three (3) or more of the Board shall constitute a quorum thereof.

Section 6. A Director who is present at a meeting of the Board at which action is taken on any matter shall be presumed to have assented to the action taken unless his dissent shall be entered in minutes of the meeting, or unless he shall file his written dissent to such action with the person acting as Secretary of the meeting before adjournment thereof, or shall forward such dissent by registered mail to the Secretary immediately after adjournment of the meeting. Such right to dissent shall not apply to a Director who voted in favor of such action.

ARTICLE XII

Officers

Section 1. The officers shall be a President, one or more Vice-Presidents, a Secretary and a Treasurer, all of whom shall be selected from members of the Board. Any two or more offices may be held by the same person, except the offices of President and Secretary.

Section 2. The officers shall be chosen by majority vote of the Board members present and voting.

Section 3. All officers shall hold office during the pleasure of the Board. Any officer elected by the Board may be removed by the Board whenever in its judgment the best interest of the Association would be served thereby. Such removal shall be without prejudice to the contract rights, if any, of the person so removed. A vacancy in any office because of death, resignation, removal, disqualification, sale of a Unit or otherwise, shall be filled by the Board for the unexpired portion of the term.

Section 4. The President shall, when present, preside at all meetings of Members and the Board and shall perform all duties incident to such office as well as such other duties as may be prescribed by the Board from time to time. He shall be principal executive officer of the Association and subject to the control of the Board, shall in general supervise and control all business affairs of the Association. He shall sign, with the Secretary or any other proper officer of the Association authorized by the Board, any deeds, mortgages, bonds, contracts or other instrument which the Board has authorized thereof be executed, except in cases where

signing and execution thereof shall be expressly delegated by the Board or these By-Laws to some other officer or agent of the Association or shall be required by law to be otherwise signed or executed.

Section 5. The Vice-President shall perform all the duties of the President in his absence.

Section 6. The Secretary shall keep the minutes of meetings of Members and the Board in one or more books provided for that purpose and wherein resolutions shall be recorded; and see that all notices are duly given in accordance with the provisions of these By-Laws or required by law; and perform in general all duties incident to the office of Secretary and such other duties as from time to time may be assigned by the President or by the Board.

Members shall give written notice to the Secretary when a change in ownership of any Unit belonging to such Member occurs.

Section 7. If required by the Board, the Treasurer shall give a bond for the faithful discharge of his duties in such sum and with such surety or sureties as the Board shall determine. The Treasurer shall have charge and custody of and be responsible for all funds of the Association; receive and give receipts for monies due and payable to the Association from any source whatsoever; deposit all such monies in the name of the Association in such financial institutions as selected by the Board and report annually to the Members; and in general perform all duties incident to the office of Treasurer and such other duties as from time to time may be assigned by the President or by the Board. The Treasurer shall keep proper books of account and cause an annual review and audit of the Association books to be made at the completion of each fiscal year.

Section 8. The President, any Vice President or Vice Presidents and/or the Secretary shall be bonded in an amount satisfactory to the Board if the Board so requires.

Section 9. The Association may indemnify every Officer against any and all expenses, including counsel fees, reasonably incurred by or imposed upon any Officer in connection with any action, suit or other proceeding (including settlement of such suit or proceeding if approved by the then Board) to which he or she may be a party by reason of being or having been an Officer of the Association whether or not such person is an Officer at the time such expenses are incurred, except to the extent such liability, damage or injury is covered by any type of insurance.

Officers of the Association shall not be liable to the Association for any mistake of judgment, negligence or otherwise, except for their own willful misconduct or bad faith. Officers of the Association shall have no personal liability with respect to any contract or other commitment made by them in good faith on behalf of the Association or the Properties (except to the extent that such Officers are also Members)

The Association may indemnify and forever hold harmless each such Officer against all liability to others on account of such contract or commitment. Any right to indemnification provided for herein shall not be exclusive of any other rights to which any present or former Officer of the Association may be entitled.

Section 10. No salary or other compensation, other than reimbursement of expenses incurred in the performance of the duties of such Officer shall be paid. Any Officer shall be entitled for out-of-pocket expenses incurred in performance of his duties provided that no expense in excess of \$25.00 shall be paid without being approved in advance by the Board and all reimbursements made or authorized by the Board to any Director shall be reported annually to the Members.

ARTICLE XIII

Committees

Section 1. The standing committees of the Association shall be:

The Nominations Committee
The Social Committee
The Audit Committee

Unless otherwise provided herein, each committee shall consist of a chairman and such number of members as the chairman shall determine. The committee chairman shall be appointed by the Board at its first meeting after each Annual Meeting, to serve until replaced. The Board may appoint such other committees as it deems desirable.

Section 2. The Nominations Committee shall have the duties and functions described in Article IX.

Section 3. The Social Committee shall advise the Board on all matters pertaining to the social and recreational program and activities of the Association and shall perform such other functions as the board, in its discretion, determines.

Section 4. The Audit Committee shall conduct the annual review of the Association's books. The Treasurer shall be an ex officio member of the committee.

Section 5. Each committee shall have power to appoint a subcommittee from among its membership and may delegate to any such subcommittee any of its powers, duties and functions.

ARTICLE XIV

Association Complaints, Disputes, Litigation and Enforcement

Section 1. Any Member who has submitted a written complaint on any matter involving Association or Committee functions, duties, and activities and who is aggrieved by the decision or non decision of the Association, may within, thirty (30) calendar days of receipt of a written response to such complaint or prior to any scheduled Board Meeting request a review of the complaint and action taken or not taken by the Board at the next scheduled meeting of the Board. The requesting of review by the Board shall be a pre-condition to any civil action being commenced by a Member against the Association or Board or the Association.

Section 2. In the event of the commencement of civil action against the Association by a Member which results in a final determination in favor of the Association or Board, all legal fees and costs of the Association or Board in connection with the response to and defense of such civil action shall be for the account of the Member-Plaintiff and may be assessed as a lien against the lot owned by such Member, the Association may file a Certificate of Lien on the lot of any Member-Plaintiff who has commenced such an action in which the Board or Association has prevailed and may, in addition, bring an action at law against the Member to pay the legal fees and costs of the Association or Board in connection with the response to and defense of such civil action or foreclose the lien against the lot of such Member in the same manner as provided in the Vermont General Statutes for foreclosure of a mortgage on real estate or may take any combination of actions recited herein. There shall be added to the amount of such legal fees and costs of the Association or Board in connection with the response to and defense of such civil action, interest at the statutory rate, costs of any subsequent enforcement action and a reasonable attorney's fee in connection with the preparation and filing of any such Lien, other costs of collection and enforcement of the Lien.

Section 3. In the event of the commencement of civil action by the Association or Board against a Member which results in a final determination in favor of the Association or Board, all legal fees and costs of the Association or Board in connection with the response to and defense of such civil action shall be for the account of the Member-Defendant and may be assessed as a lien against the lot owned by such Member, the Association may file a

Certificate of Lien on the lot of any Member-Defendant who is a Defendant in any such action in which the Board or Association has prevailed and may, in addition, bring an action at law against the Member to pay the legal fees and costs of the Association or Board in connection with the civil action or foreclose the lien against the lot of such Member in the same manner as provided in the Vermont General Statutes for foreclosure of a mortgage on real estate or may take any combination of actions recited herein. There shall be added to the amount of such legal fees and costs of the Association or Board, interest at the statutory rate, costs of any subsequent enforcement action and a reasonable attorney's fee in connection with the preparation and filing of any such Lien, other costs of collection and enforcement of the Lien.

ARTICLE XV
Meetings of Members

Section 1. The regular Annual Meeting of the members shall be held during the month of December at a date, place and time to be determined by the Board. Among the purposes of the Annual Meeting shall be to elect Directors, approve the annual budget and set the Assessments and frequency of payment thereof, receive a report from the President on events transpiring during the past year relating to the Association and for the entertainment of old and new business as proposed by the Members or the Directors.

Section 2. Special meetings of the Members for any purpose may be called at any time by the President, Vice-President, the Secretary or Treasurer, or by any two or more members of the Board, or upon written request of Members who have a right to vote upon the written request of one-fifth (1/5) all Members (18 Members).

Section 3. Notice of any meeting shall be given to the Members by the Secretary. Notice may be given to a Member by hand delivery, mail, fax or electronically. In the case of mail by depositing a copy of the notice in the United States Postal System, postage thereon fully prepaid to each Member's address appearing on the books of the Association. Each Member shall register his address with the Secretary, and notices of meeting shall be given at such address. Notice of any meeting regular or special shall be given at least thirty (30) days in advance of the meeting and shall set forth in general the nature of the business to be transacted, provided, however, that if the business of any meeting shall involve an election governed by Article IX or any action governed by the Articles of Incorporation or by the Declaration applicable to The Properties, notice of such meeting shall be given or sent as therein provided.

Section 4. Attendance of a Member either in person or by proxy, except for the purpose of stating at the beginning of the meeting any objection to the transaction of business at such meeting, shall constitute a waiver of notice and objection of any nature whatsoever as to the transaction of any business of such meeting.

Section 5. The order of business at each annual meeting shall be as follows:

- a) Roll call;
- b) Proof of notice or waiver of notice;
- c) Reading of minutes of preceding meeting;
- d) Reports of officers;
- e) Reports of committees, if any;
- f) Election of Directors;
- g) Unfinished business;
- h) New business.

Section 6. The annual budget and proposed Assessments shall be implemented unless Members holding a majority of votes in the Association, represented in person or by proxy, shall have voted to reject such annual budget and proposed Assessments. Special Assessments and amendments to the By-Laws, shall require

the affirmative vote of Owners holding not less than 67% of votes in the Association, represented in person or by proxy. For the conduct of business other than rejection of the annual budget and proposed Assessments and the amendment of the By-Laws, a quorum shall exist if twenty (20%) percent of the Members of the Association (18 Units) are present in person or by proxy and a majority of those present vote in favor of such action.

ARTICLE XVI

Insurance

Section 1. The Board shall obtain and maintain the following insurance:

a) A master or blanket policy of property insurance, if available, on the Properties in an amount equal to the full replacement value of any improvements or betterments, whether initially installed by the Declarant or made or initially acquired at the expense of the Member or subsequent replacement of said items by the Owner thereof (i.e., 100% of current replacement cost, without deduction for depreciation exclusive of land, foundation, excavation and other items normally excluded from coverage) including all building service equipment and the like and any fixtures or equipment within the Common Elements and all Units with an Agreed Amount Endorsement or its equivalent, to the extent available, as may be required by FNMA, FHLMC, PMIs, or the VA, or similar institution which may purchase or insure payment on a substantial number of notes secured by deeds of trust or mortgage deeds on Units in the Properties. The amount of "replacement cost" shall be re-determined annually by the Board. Such coverage shall provide protection against the following:

i) loss or damage by fire or other hazard covered by the standard extended coverage endorsement and additional extended coverage endorsement;

ii) such other risks as may customarily be covered with respect to projects similar in construction, location and use, including, but not limited to, vandalism, malicious mischief, machinery explosion or damage, sprinkler leakage, debris removal, cost of demolition, windstorm and water damage, and such other insurance as the Board may from time to time determine; and

b) A comprehensive policy of public liability insurance in such amounts and in such forms as may be considered appropriate by the Board including, but not limited to, water damage, legal liability, coverage for liability for damage to property of others, hired automobile liability coverage, non-owned automobile liability coverage and coverage for any and all other liability arising out of or incident to ownership or use of the Properties, and such other risks as may customarily be covered with respect to projects similar in construction, location and use.

All such policies shall include a "Severability of Interest Endorsement" or equivalent coverage which would preclude the company from denying any claim of an Owner because of negligent acts of the Association, Board, another Owner, with such limits as may be considered acceptable to FNMA, FHLMC, PMI, VA or other similar institution which may purchase or insure payment of a substantial number of notes secured by deeds of trust on Units, but in any event not less than One Million Dollars (\$1,000,000) covering all claims for personal injury or damage arising out of a single occurrence.

c) Workers' compensation insurance to the extent necessary to comply with any applicable law; and

d) Adequate fidelity coverage shall be obtained to protect against dishonest acts on the part

of officers, Directors, trustees and employees of the Association including, but not limited to, employees of the Agent. The premiums shall be paid by the Association and:

- i) all such fidelity bonds shall name the Association as an obligee;
- i) such fidelity bonds shall be written in amounts required by FNMA, FHLMC, PMIs, VA or other similar institutions;
- ii) such fidelity bonds shall contain a waiver of any defense based on the exclusion of persons who serve without compensation.
- e) Such other policies of insurance as required by FNMA, FHLMC, PMIs, the VA or other similar institutions except to the extent such coverage is not available or has been waived in writing by any of the above or considered appropriate by the Association Board.

Section 2. Any insurance or fidelity bond obtained shall meet the following:

- a) All policies shall be written with companies licensed to do business in Vermont and holding a good financial rating.
- b) Exclusive authority to negotiate losses under said policies shall be vested in the Board or its insurance trustee. All proceeds shall be payable to the Association or its trustee and shall be held for the use and benefit of the Association, Members and their respective mortgagees. Such insurance proceeds shall be applied and distributed in accordance with the Declaration and Article 11, Section B of these By-Laws.
- c) In no event shall insurance coverage obtained and maintained be brought into contribution with insurance issued in the name of any individual Member by the Owner or Owner's mortgagee.
- d) All policies and fidelity bonds shall provide that such policies or bonds may be not cancelled or substantially modified (including cancellation for non-payment of premium) at least thirty days without prior written notice to any and all insureds named thereon including any and all mortgagees, FNMA, FHLMC, PMI, VA or other similar institution which may purchase a substantial number of notes secured by deeds of trust on Units in the Project.
- e) All policies of property insurance shall provide that notwithstanding any provisions which give the carrier the right to elect to restore damage in lieu of making a cash settlement, such option shall not be exercisable without first obtaining written approval from the Association or its insurance trustee.
- f) All policies shall contain a waiver of subrogation by the insurer to any and all claims against the Association, the Board, their agents and employees, Owners, agents, tenants and a waiver of any defenses based upon co-insurance or upon invalidity arising from acts of the insured. Independent contractors shall not be considered agents, employees or servants of the Board or of Members within the meaning of the waiver.
- g) The insurance policy shall contain a provision that the insurance shall not be prejudiced:
- i) by any act or neglect of any occupants of the building when such act or neglect is not

within control of the Owners collectively;

- ii) by failure of Owners collectively to comply with any warranty condition with regard to any portion of the premises over which Owners collectively have no control.

Section 4. In the event of damage to any Unit is covered by the master insurance policy, the Association will be responsible for payment of deductible amounts under the policy except where:

- a) damage to such Unit was caused by the Owner's negligence;
- b) damage to such Unit, absent coverage by the master policy, would have been the maintenance responsibility of the Member.

Section 5. Members shall obtain at their own expense additional insurance to provide coverage of their Units' contents and the value of any upgrade they may have made subsequent to any items initially installed by Declarant (or made or initially acquired at the expense of the Owner) or replacements thereof.

Each Member shall obtain a "Properties Homeowners Policy" or its equivalent, commonly referred to as an HO-6 policy. The policy should insure against loss or damage to personal property used or incidental to the occupancy of the Unit, additional living expenses, plate glass damage, theft, personal liability and the like. Such policy shall include a Properties Owner's Endorsement covering losses equal to the difference between the cost of any upgrades in any of the improvements and betterments to the Unit beyond the replacement cost of any items initially installed by the Declarant (or made or initially acquired at the expense of the Owner) or replacements thereof by the Owner. In addition said policy should include coverage for furniture, furnishings or other personal property installed in the Unit by the Owner thereof.

All Members shall provide the Association satisfactory evidence that said policy is in effect and shall provide notice of each renewal, modification or cancellation thereof.

Section 6. In the event of substantial damage or destruction of any Units by fire or other peril, notice shall be sent immediately to the Institutional First Mortgagee involved if there is no damage to the Common Elements and to all Institutional First Mortgagees if there is any substantial damage to or destruction of Common Elements. As used in this Section, the term "substantial damage" shall mean damage to any Unit in the amount of \$1,000 or more and damage to any one of the Common Elements in the amount of \$10,000 or more.

Section 7. In the event of damage to or destruction of the building as a result of fire or other casualty, the named beneficiary in the Properties property endorsement shall receive and hold the amount payable under the Properties insurance. The funds shall be applied to the cost of reconstruction or repair of all damaged or destroyed Common Elements and, as to any damaged or destroyed Units, those portions covered by the master insurance policy purchased by the Association pursuant to requirements of these By-Laws unless there is an agreement to terminate the Properties.

If there is no decision to terminate, then the Board shall arrange for repair and restoration of the Common Elements and those portions of damaged or destroyed Units covered by the Master Policy within 60 days from the date of receipt of the insurance proceeds by the payee. The proceeds shall be disbursed as progress payments to contractors engaged in repair and restoration are made. Payments in excess of net proceeds of insurance shall constitute a common expense. The Board shall assess all Owners for such deficit in proportion to each Unit's share of common expenses.

The Association shall not be responsible for repair or restoration of any portion of any unit not covered by the master policy unless it agrees to perform such work at the sole expense of the Owner. If the Association undertakes to do such work, each Owner shall have the right to supervise repairs of his or her Unit. All damaged or destroyed Common Elements and Units must be repaired or restored unless a decision to terminate the Properties is made.

Section 8. If the Properties are dissolved or their existence is otherwise terminated, the insurance proceeds shall be distributed as provided in Article 7, Section B of the Declaration.

ARTICLE XVII
Books and Papers

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any Member.

ARTICLE XVIII
Corporate Seal

The Association shall have a seal in circular form having within its circumference the words:

Intervale Properties Association, Inc.
Vermont 1985

ARTICLE XIX
Resale Certificates

In the event of any sale of a Unit, the Association shall furnish to the selling Member an Assessment Certificate in accordance with Vermont law. The Board shall set, from time to time, the fee to be charged for the issuance of the Assessment Certificate.

ARTICLE XX
Amendments

Section 1. Amendments to the By-Laws may be proposed by resolution of the Board or at any meeting of Owners. No amendments of the By-Laws proposed in either of such ways shall be effective unless set forth in an amendment to the By-Laws approved by sixty-seven percent (67%) of Members and until a copy of the By-Laws, as amended, certified by the President and Secretary of the Association is recorded in the office of the Winhall Town Clerk.

Section 2. In the case of any conflict between the Articles of Incorporation and these By-Laws, the Articles of Incorporation shall control, and in the case of any conflict between the Declaration applicable to The Properties, the Declaration shall control.

ARTICLE XXI
Additional Consents

No amendment to the Declaration or By-Laws shall discriminate against any Owner or against any Unit or class of Units unless Owners so affected shall consent in writing thereto.

ARTICLE XXII
Parliamentary Rules

Roberts Rules of Order (latest edition) shall govern the conduct of Association meetings when not in conflict with the Act, Declaration or these By-Laws.