

BY-LAWS OF
THE COUNTRYSIDE HOMEOWNERS ASSOCIATION, INC.

ARTICLE 1.0 OFFICES

Section 1.1 Principal Office. The principal office of The Countryside Homeowners Association, Inc. ("The Corporation") shall be located in the Village of Essex Junction, County of Chittenden, State of Vermont. The Corporation may have such other offices within the State of Vermont as the Board of Directors may designate or as the business of the Corporation may require from time to time.

Section 1.2 Registered Office. The registered office of the Corporation may, but need not, be identical with the principal office in the State of Vermont, and the address of the registered office may be changed from time to time by the Board of Directors.

ARTICLE 2.0 PURPOSE

The purpose of the Corporation is to construct, improve, maintain, supervise and otherwise care for and manage the common recreation area and facilities ("the Corporation Property") owned by the Corporation for the benefit of its Members. Said area and facilities shall be used exclusively by the Owners of Dwelling Units and by their families, tenants and social guests.

ARTICLE 3.0 MEMBERSHIP

Section 3.1 Number of Members. The Corporation shall have a maximum ~~253~~ (250) memberships, one for each of the ~~253~~ 250 Dwelling Units (whether the same be single family lot or cluster home Dwelling Units) in Countryside in the Village, Essex Park and Corduroy Road Extension which The Countryside Limited Partnership, its successors and assigns, ("the Developer") is developing on lands located northwesterly of Brickyard Road in the Village of Essex Junction, Vermont. The Developer shall initially hold all ~~253~~ 250 memberships. As the Developer conveys a Dwelling Unit, the purchaser of that Dwelling Unit shall automatically acquire the corresponding membership of that Dwelling Unit in the Corporation and the number of memberships in the Corporation held by the Developer shall be reduced accordingly. If, when development has been completed, less than ~~253~~ 250 Dwelling Units shall have been constructed thereon, the number of permanent memberships shall be reduced accordingly so that there shall be one membership for each Dwelling Unit so constructed.

Section 3.2 Qualification. Every person who acquires title to a Dwelling Unit shall automatically acquire one of the memberships provided in Section 3.1 in the corporation and he shall continue to be a Member so long as he owns one of said Dwelling Units. The foregoing is not intended to include persons who hold an interest in a Dwelling Unit merely as security for the performance of an obligation. Membership shall be appurtenant to and may not be separated from ownership of any Dwelling Unit.

Section 3.3 Classes of Membership. The Corporation shall have two classes of voting membership as follows:

Class A. Class A Members shall be all Dwelling Unit Owners with the exception of the

Developer. Class A Members shall be entitled to one vote for each Dwelling Unit owned. when more than one person owns an interest in a Dwelling Unit, all such persons shall be Members of the Corporation, but there shall only be one voting membership attributable to that Unit and the vote for that Unit shall be exercised as they among themselves determine. Absent such determination, the person first named in the Dwelling Unit Deed shall be entitled to cast the vote assigned to that Dwelling Unit or to designate a proxy to cast said vote. In no event shall more than one vote be cast with respect to any Unit.

Class B. Class B Members shall be the Developer, which shall be entitled to four votes for each membership, and thus for each Dwelling Unit owned by it. Class B membership shall cease and be conveyed to Class A membership when the total votes outstanding in Class A membership exceed the total votes outstanding in the Class B membership.

ARTICLE 4.0 MEETINGS

Section 4.1 Annual Meeting. The Annual Meeting of the Membership shall be held within the first three months of each calendar year as shall be fixed by the Board of Directors for the purpose of electing Directors and transacting such other business as may come before the meeting. Failure to hold the Annual Meeting during the designated time shall not work a forfeiture or dissolution of the Corporation. If the election of Directors shall not be held during the period designated herein for said Annual Meeting, or at any adjournment thereof, the Board shall cause the election to be held at a Special Meeting of the Members as soon thereafter as conveniently may be.

Section 4.2 Special Meetings. Special Meetings of the Members for any purpose or purposes may be called by the President or by the Board of Directors and the same shall be called by the Secretary upon written request of not less than one-quarter (63) of the votes of the Class A membership entitled to vote at such a meeting.

Section 4.3 Place of Meeting. The Board of Directors may designate any place within Chittenden County, State of Vermont as the place for any Annual or Special Meeting of the Members. If no designation is made or if the Special Meeting is otherwise called, the place of the meeting shall be the principal office of the Corporation.

Section 4.4 Notice of Meeting. Written notice stating the place, day and hour of the meeting and, in the case of a Special Meeting, the purpose or purposes for which it is called, shall be delivered to each Member entitled to vote at such meeting as provided in Article 8.0. A member may waive notice of any meeting as provided in that Article.

ARTICLE 5.0 MEMBERSHIP VOTING

Section 5.1 Fixing of Record Date. For the purpose of determining Members entitled to vote at any meeting, the membership book shall be closed as of the opening of said meeting.

Section 5.2 Quorum. A majority of the Members of each Class entitled to vote, present or in person by proxy, shall constitute a quorum at any membership meeting. If less than such a number is present, a majority of those Members present may adjourn the meeting from time to

time without further notice. At such adjourned meeting at which a quorum is so present, any business may be transacted which might have been transacted at the meeting as originally noticed. The Members so present at a meeting may continue to transact business until adjournment, notwithstanding the withdrawal of enough Members to leave less than a quorum.

Section 5.3 Proxies. At all membership meetings each Member entitled to vote may vote in person or by written proxy filed with the Secretary of the Corporation. No proxy shall be valid after 11 months from its execution, unless otherwise provided in the proxy. Each proxy shall be revocable and shall automatically cease upon conveyance by the member of his Unit.

Section 5.4 Voting. At any membership meeting at which a quorum is present, the vote of the majority of Members entitled to vote present in person or by proxy shall be the vote of the Members, unless the vote of a greater number is required by law.

Section 5.5 Voting by Certain Members. A membership standing in the name of a corporation may be voted by such officer, agent or proxy as the Board of Directors of that Corporation may determine. A membership held by a administrator, executor, guardian or conservator may be voted by him without a transfer of such membership into his name. A membership held by a trustee may be voted by him without transfer of such membership into his name if authority so to do is contained in an appropriate order of the Court by which such receiver was appointed.

Section 5.6 Action Without a Meeting. The Members may act without a meeting by instrument signed by all members entitled to vote provided that such instrument is inserted in the minute book. Any action so taken shall have the same effect as though taken at a meeting of the Members.

ARTICLE 6.0 BOARD OF DIRECTORS

Section 6.1 Number and Qualification. The business and affairs of the Corporation shall be managed by a Board of Directors consisting of not less than six nor more than nine persons who ~~need not be~~ are Members of the Corporation.

Section 6.2 Term of Office. At their First Annual Meeting the Members shall elect a minimum of two Directors for a term of one year, a minimum of two Directors for a term of two years and a minimum of two Directors for a term of three years. At each succeeding Annual Meeting, the Members shall elect a minimum of two Directors for a term of three years.

Section 6.3 Resignation. Any Director may resign at any time by written notice to the Board of Directors. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein. Unless otherwise specified therein, acceptance of such resignation by the Board shall not be necessary to make it effective.

Section 6.4 Compensation. No Director shall be compensated for services rendered by him pursuant to said office, but may be reimbursed for actual expenses incurred in the performance of his duties.

Section 6.5 Vacancies. A vacancy in the Board may be filled by majority vote of the remaining Directors, though less than a quorum of the Board, for the unexpired term of his predecessor in office. Any directorship to be filled by reason of an increase in the number of Directors shall be filled by election at an Annual Meeting or at a Special Meeting of the Members called for that purpose.

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ARTICLE 7.0 MEETINGS OF DIRECTORS

Section 7.1 Regular Meetings. A regular meeting of the Directors shall be held without notice immediately after, and at the same place as, the Annual Meeting of the Members. The Board may by resolution provide the time and place within Chittenden County, State of Vermont for the holding of additional regular meetings without notice other than such resolution.

Section 7.2 Special Meetings. Special Meetings of the Directors may be called by the President or any two Directors. The person calling a Special Meeting may fix any place within Chittenden County, State of Vermont as the place for holding the same.

Section 7.3 Notice. Written notice of any Special Meeting shall be given to each Director as provided in Article 8.0. A Director may waive notice of any meeting as provided in that Article. Attendance of a Director at a meeting shall constitute a waiver of notice of such meeting, except if he attends for the express purpose of objecting to the transaction of business on the grounds that the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Directors need be specified in the notice of or waiver of notice of such meeting, except as otherwise provided herein.

Section 7.4 QuorumA majority of the Directors shall constitute a quorum for the transaction of business. If less than such number is present, a majority of those Directors present may adjourn the meeting from time to time without further notice. At such adjourned meeting at which a quorum is so present any business may be transacted which might have been transacted at the meeting as originally noticed. The Directors so present at a meeting may continue to transact business until adjournment, notwithstanding the withdrawal of enough Directors to leave less than a quorum.

Section 7.5 Voting. At any Director's Meeting at which a quorum is present, the vote of the majority of Directors present at said meeting shall be the vote of the Board, unless the vote of a greater number is required by law.

Section 7.6 Presumption of Assent. A Director shall be presumed to have assented to the action taken at a meeting unless his dissent shall be entered in the minutes of the meeting or unless he shall file his written dissent with the Secretary of the meeting before its adjournment. Such right to dissent shall not apply to a Director who voted in favor of such action.

Section 7.7 Action without a Meeting. The Directors may act without a meeting by instrument signed by all Directors, provided that such instrument is inserted in the minute book. Any action so taken shall have the same effect as though taken at a meeting of the Directors.

ARTICLE 8.0 POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 8.1 Power. The Board of Directors shall have the power to:

- (a) Adopt, amend and rescind administrative rules and regulations governing the details of the operation and use of the Corporation Property.

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- (a) Adopt, amend and rescind administrative rules and regulations governing the details of the operation and use of the Corporation Property.
- (b) Establish penalties for the infraction of said administrative rules and regulations.
- (c) Suspend a Member's voting right and his right to use the Corporation Property during any period in which such Member shall be in default in the payment of any assessment levied by the Corporation.
- (d) Declare the office of any Director to be vacant in the event such Director shall be absent from three consecutive regular meetings of the Board.
- (e) Employ a manager, independent contractor or such employees as it deems necessary and to prescribe their duties.
- (f) Exercise for the Corporation all powers, duties and authority vested in or delegated to this Corporation and not reserved to the membership or conferred upon it by other provisions of these By-Laws, the Articles of Association, and the Vermont Nonprofit Corporation Act.

Section 8.2 Duties. It shall be the duty of the Board of Directors to:

- (a) Keep a complete record of all its acts and corporate affairs.
- (b) Keep detailed, accurate records in chronological order of the receipts and expenditures affecting the Corporation Property, specifying and itemizing the maintenance and repair expenses and any other expenses incurred.
- (c) Supervise all officers, agents, and employees of the Corporation to see that their duties are properly performed.
- (d) Cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate.
- (e) Cause the Corporation Property to be maintained and otherwise fulfill the purpose of the Corporation.
- (f) Obtain and maintain, in such amounts and forms of coverage as it deems appropriate, policies insuring the corporation for casualty and physical damage insurance, comprehensive public liability insurance, workman's compensation insurance and such other insurance as the Board shall determine to be appropriate.
- (g) Perform all other duties imposed upon it by other provisions of these By-Laws, the Articles of Association and the Vermont Nonprofit Corporation Act.

ARTICLE 9.0 OFFICERS

Section 9.1 Number. The officers shall consist of a President, Vice President, Secretary and Treasurer elected from the membership, and such other officers as the Board of Directors may from time to time create. Any two or more offices may be held by the same person, except the

Section 9.1 Number. The officers shall consist of a President, Vice President, Secretary and Treasurer elected from the membership, and such other officers as the Board of Directors may from time to time create. Any two or more offices may be held by the same person, except the offices of President and Secretary.

Section 9.2 Election and Term of Office. The officers shall be elected annually by the Board of Directors at each Annual Director's Meeting, provided, however, that if such election shall not be held at such meeting it shall be held as soon thereafter as conveniently may be. Each Officer shall hold office until the next annual meeting of the Director's and until his successor shall have been duly elected and qualified, unless he shall sooner resign, be removed or otherwise become disqualified to serve.

Section 9.3 Resignation. Any officer may resign at any time by written notice to the Board of Directors, President or Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein. Unless otherwise specified therein, acceptance of such resignation by the Board shall not be necessary to make it effective.

Section 9.4 Removal. Any Officer may be removed from office by the Board of Directors with or without cause whenever in its judgment the best interests of the Corporation will be served thereby.

Section 9.5 Vacancies. A Vacancy in any office may be filled by the Board of Directors for the unexpired term of the predecessor in office.

Section 9.6 President. The President, who shall be elected from among the Directors, shall be the principal executive officer of the Corporation and, subject to the control of the Board of Directors, Shall supervise and control the business and affairs of the Corporation. He shall, when present, preside at all meetings of the members and Directors. In general, he shall perform all duties incident to the office of President and such other duties as may from time to time be prescribed by the Board of Directors.

Section 9.7 Vice President. In the event of the absence or death of the President or his inability or refusal to act, the Vice President shall perform the duties of the president, and when so acting, shall have all the powers of and be subject to all the duties incident to the office of Vice President and such other duties as from time to time may be prescribed by the Board of Directors.

Section 9.8 Secretary. The Secretary shall keep the minute book wherein all resolutions and votes of the Members and Board of Directors shall be recorded and have custody of the corporate seal and record book containing the names and places of residence of all Members. In general, he shall perform all duties incident to the office of Secretary and such other duties as from time to time may be prescribed by the Board of Directors.

Section 9.9 Treasurer. The Treasurer shall have charge and custody of and be responsible for all funds and securities of the Corporation and, in general, perform all duties incident to the office of Treasurer and such other duties as from time to time may be prescribed by the Board of Directors.

Section 9.10 No Compensation. No officer shall be compensated for services rendered by him pursuant to said office, but may be reimbursed for actual expenses incurred in the performance of his duties.

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ARTICLE 10.0 COMMITTEES

The Board of Directors may, by resolution adopted by a majority of the Directors in office, designate and appoint one or more committees each of which shall consist of two or more Directors. Each committee, to the extent provided in such resolution, shall have and exercise all the authority of the Board of Directors properly delegable by the Directors pursuant to Vermont Laws. The designation and appointment of any such committee and the delegation thereon of authority shall not operate to relieve the Board of Directors, or any Director, of any responsibility imposed upon it or him by law.

ARTICLE 11.0 BUDGET AND ASSESSMENT

Section 11.1 Directors Proposal. At least 30 days before the Annual Members Meeting, the Board of Directors shall submit to the members a proposed budget for the ensuing year which depicts anticipated operating expenses and taxes to be paid, and equipment and improvement replacement reserve payments to be made, by the Corporation during the year. At the same time, the Board shall propose an assessment to the Members for such year sufficient in amount to defray those expenditures.

Section 11.2 Members Adoption. Said proposed budget shall not become final until submitted to the Annual Meeting of the Members who may either adopt the proposed budget and assessment or revise the same and adopt them as revised. The annual assessments shall take effect the first month following adoption.

Section 11.3 Supplemental Assessments. If during any fiscal year the Board of Directors determines that the annual assessments for that year are less than operating expenses actually incurred or likely to be incurred, the Board may recommend a supplemental assessment and convene a Special Members Meeting for the purpose of acting upon such recommendation. Such a supplemental assessment shall be payable in accordance with the resolution authorizing the same.

Section 11.4 Capital Assessments. The Corporation may levy a capital assessment covering a period either longer or shorter than the year in which it was voted for the purpose of defraying the cost of construction, reconstruction, adding to, replacing, or otherwise improving a capital improvement upon the Corporation Property, provided that the same is duly adopted by the members voting at any Annual Meeting or at a Special Meeting called for the purpose. Such a capital assessment shall be payable in accordance with the resolution authorizing the same, provided, however, that the Developer shall not be liable for any capital assessments voted at any time while it holds one or more memberships unless it votes in favor thereof.

Section 11.5 Uniformity. The annual assessment, any supplemental assessment and any capital assessment must be fixed at a uniform and equal rate for each of the Dwelling Units whether said Dwelling Units are single family lot of Cluster home Dwelling Units and regardless of their comparative cost or value.

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Section 11.6 Payment Liability. Each owner of a Dwelling Unit shall be liable to the Corporation for payment of the full amount of all assessments attributable to that unit and he may not exempt or discharge himself of liability for payment thereof by not using, or by waving his right to use the Corporation Property.

Section 11.7 Developers Liability. The Developer shall be liable to pay one such assessment for each membership (not for each vote) from time to time held by it in the Corporation. Accordingly until such time as the Developer shall convey the first dwelling unit, it shall be liable to pay a~~(253)~~ 250 assessments (whether the same be annual, supplemental, or capital assessments) attributable to the~~(253)~~ 250 memberships in the Corporation.. As the Developer conveys each Dwelling Unit, it shall automatically be relieved of the liability of the Developer to pay all such future assessments attributable to that Dwelling Units membership in the corporation. When the Developer has conveyed all Dwelling Units, it shall have no further liability to pay any such assessments of the Corporation.

ARTICLE 12.0 DELINQUENCY

Section 12.1 Interest and Costs. If an Owner fails to pay when due any of the assessments provided by Article 11.0 he shall be liable for interest thereon from the due date at the legal rate and for attorneys fees and cost of collection thereof.

Section 12.2 Suit and Attachment. The Corporation may bring suit against an Owner for the collection of delinquent assessments and it may, as an incident thereof, make an attachment against that Owners Dwelling Unit, together with his percentage interest in the common areas and facilities, if applicable, by filing a copy of the process with the Town of Essex attachment records. Such an attachment lien shall underlie any homestead exemption that may be available to the Owner or his spouse under Vermont law.

Section 12.3 Suspension of Rights. The Corporation may suspend the right of a delinquent Owner to use the Corporation Property and, once suspended, such right shall not be restored until payment of the assessment has been made in full, together with all interest and cost of collection provided by Section 12.1 hereof.

ARTICLE 14.0 BUSINESS TRANSACTIONS AND RECORDS

Section 14.1 Contracts. The Board of Directors may authorize any officer or agent to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation. Such authority may be general or confined to specific instances.

Section 14.2 Loans. No loans shall be contracted on behalf of the Corporation and no evidence of indebtedness shall be issued in its name unless authorized by a resolution of the Board of Directors. Such authority may be general or confined to specific instances. No loans for a term in excess of one year shall be contracted unless duly authorized by the membership, rather than the board of Directors.

Section 14.3 Checks, Drafts, etc. All checks, drafts, or other orders for the payment of money,

for a term in excess of one year shall be contracted unless duly authorized by the membership, rather than the board of Directors.

Section 14.3 Checks, Drafts, etc. All checks, drafts, or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Corporation shall be signed by such officers or agents of the Corporation and in such manner as the Board of Directors shall from time to time determine.

Section 14.4 Deposits. All funds of the Corporation not otherwise employed shall be deposited from time to time to the credit of the Corporation in such banks, trust companies or other depositories as the Board of Directors shall from time to time determine.

Section 14.5 Inspection of Records. All books and records required to be maintained for and on behalf of the Corporation shall be available for examination by Owners at convenient hours of weekdays.

Section 14.6 Financial Report. As soon as reasonably possible after the close of each fiscal year, or more often if convenient to it, the Board of Directors shall submit to the Members a report of its operations for such year which shall include financial statements in such summary form and detail as the Board shall deem proper. Any person who has been furnished with such report and shall have failed to object thereon by written notice to the Board within one month of his receipt of such report shall be deemed to have assented thereto.

Section 14.7 Additional Land. The Developer reserves the right to convey, but only by gift, to the Corporation at subsequent times such portions of its land in addition to that which was first conveyed to the Corporation following its formation as it, in its sole discretion, deems necessary, proper or advisable.

Section 14.8 Conditions. The Owner of any Dwelling Unit, whether said Dwelling Unit is a single family lot or a Cluster home, shall comply with conditions 5, 6 and 16 of the Developers Land Use Permit pertaining to water conserving plumbing fixtures, insulation standards and the alteration of drainageways or stormwater system components. This section shall not be amended without the prior written approval of the District Environmental Commission.

ARTICLE 15.0 AMENDMENTS

Section 15.1 Vote Required. These By-Laws may be amended, at any Annual Members Meeting or at a Special Meeting of the Members called for that purpose, by a vote of 75% of the Members of both classes of membership.

Section 15.2 Limitation. No such limitation shall be valid if it would render the Corporation contrary to or inconsistent with any requirements or provisions of the Vermont Nonprofit Corporation Act.

ARTICLE 16.0 FISCAL YEAR

The fiscal year of the Corporation shall be the calender year.

ARTICLE 17.0 CORPORATE SEAL

The Corporation shall have a corporate seal in circular form which shall have inscribed the name

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The Corporation shall have a corporate seal in circular form which shall have inscribed the name of the Corporation, the State of Vermont, and the words, "Corporate Seal".

ARTICLE 18.0 GENERAL PROVISIONS

Section 18.1 Compliance. Each Owner shall comply strictly with these By-Laws and with the administrative rules and regulations adopted under them, as either may be lawfully amended from time to time.

Section 18.2 Noncompliance. Failure to comply with any of the foregoing shall be grounds for an action to recover sums due for damages or injunctive relief, or both, maintainable by the Board of Directors on behalf of the Corporation. Failure by the Corporation to enforce any right herein conferred shall not be deemed a waiver of the right to do so thereafter.

Section 18.3 Severability. Invalidation of any provision of these By-Laws shall in no way effect any other provisions which shall remain in full force and effect.

Section 18.4 Construction and Interpretation.In the construction hereof, whether or not so expressed, words used in singular and plural, words denoting males include females and words denoting persons include individuals, firms, associations, partnerships, trusts, and corporations unless a contrary intention is to be inferred from or required by the subject matter or context. The title and headings of different parts hereof are inserted only for convenience of reference and are not to be taken to be any part hereof or to control or effect the meaning, construction, interpretation or effect hereof. All provisions herein contained shall take effect and be construed according to the Vermont Nonprofit Corporation Act and, unless the context otherwise indicates, words defined in said Act shall have the same meaning herein.