APPENDIX B

BYLAWS OF

RIVER COURT CONDOMINIUM OWNERS ASSOCIATION, INC.

AMENDED AND RESTATED BYLAWS

PRELIMINARY STATEMENT

River Court Condominiums is a condominium project (the “Condominium”) located in Stowe, Vermont established in accordance with the provisions of Chapter 15 of Title 27 of the Vermont Statutes Annotated, known as the Vermont Condominium Ownership Act, as amended (the “Condominium Ownership Act”), pursuant to the Declaration Establishing River Court Condominiums including all Appendices attached thereto and the references and descriptions contained therein, dated November 26, 1991 and recorded in Book 229 at Pages 144-219 of the Stowe Land Records, as amended by the First Amendment to said Declaration dated August 14, 1992 and recorded in Book 243 at Pages 162-165 of the Stowe Land Records, as further amended by the Second Amendment to said Declaration dated October 27, 1995 and recorded in Book 304 at Pages 214-219 of the Stowe Land Records, and as further amended by the Third Amendment to said Declaration dated May 7, 1997 and recorded in Book 332 at Pages 217-221 of the Stowe Land Records (the “Original Declaration”). The Bylaws are designated as Appendix B (the “Original Bylaws”) in the Original Declaration and are recorded in the Stowe Land Records. The owners of the Units in the Condominium have elected to adopt the provisions of the Vermont Common Interest Ownership Act as set forth in Title 27A Vermont Statutes Annotated (the “Common Interest Ownership Act”) by means of the Amended and Restated Declaration of Condominium (the “Declaration”) being recorded in the Stowe Land Records and hereby update, amend, and restate the Original Bylaws to read as follows (the “Bylaws”) for governance of the Condominium by River Court Condominium Owners Association, Inc. (the “Association”):

ARTICLE 1

PLAN OF CONDOMINIUM OWNERSHIP

1.1 Applicability. These Bylaws provide for governance of the condominium project known as River Court Condominiums located in Stowe, Vermont and more particularly described in the Declaration to which these Bylaws are attached. The general purpose of the Bylaws is to establish procedures formulated to promote the common betterment, use, financial operations, and enjoyment of all Unit Owners in the Condominium.

2. Compliance. The acceptance of a deed of conveyance or the entering into of a lease or the act of occupancy of a Unit in the Condominium shall constitute an agreement that use and occupancy of the Unit shall be in compliance with the provisions of these Bylaws, Administrative Rules made and adopted pursuant hereto,
and the Declaration governing the Condominium, as said provisions may be amended from time to time, and that all such provisions are accepted, ratified and confirmed.

3. **Office.** The office of the Association of Owners shall be located at the Condominium or at such other place as may be designated from time to time by the Executive Board.

4. **Definitions.** Each capitalized term used herein shall, unless the context otherwise requires, have the same meanings specified in the Declaration and as provided in the Common Interest Ownership Act.

5. **Rights of Original Declarant.** The Original Declarant had certain reserved rights with respect to the Condominium, as set forth and described more particularly in the Original Declaration. Inasmuch as the Original Declarant has no further right, title, or interest in the Condominium, these rights have terminated and are of no further force or effect as to the Original Declarant, excepting only for administrative wind-up actions as may be necessary or advisable.

**ARTICLE 2**

**RIVER COURT CONDOMINIUM OWNERS ASSOCIATION, INC.**

2.1 **Composition.** The Association of Owners (the “Association”) shall consist of all of the Unit Owners acting collectively as a nonprofit incorporated association formed under the laws of the State of Vermont. For all purposes, the Association shall act merely as an agent for the Unit Owners as a group. The Association shall have the responsibility for administering the Condominium, establishing the means and methods of collecting assessments and charges, arranging for management, maintenance, and upkeep of the Common Elements, and performing all other acts that may be required, advisable, or permitted to be performed by the Association pursuant to the Declaration and the Common Interest Ownership Act. Membership in the Association shall become effective automatically upon acquisition of ownership of a Unit and shall be appurtenant to and may not be separated from ownership of the Unit. Conveyance or other cessation of ownership of a Unit shall automatically terminate the conveying Owner’s membership in the Association.

2.2 **Powers and Authorities.** The powers and authorities of the Association shall include without limitation the following, and in furtherance thereof the Association:

(a) Shall adopt and may amend bylaws.

(b) Shall adopt and may amend budgets for revenues, expenditures, and reserves in accordance with the budget adoption procedures set forth hereinafter, may collect assessments for common expenses from Unit Owners, and may invest funds of the Association.
(c) May hire and discharge managing agents and other employees, agents and independent contractors.

(d) May initiate, defend or intervene in litigation, arbitration, mediation, or administrative proceedings in its name on behalf of itself or two or more Unit Owners on matters affecting the Association.

(e) May make contracts and incur liabilities.

(f) May regulate the use, maintenance, repair, replacement, and modification of the Common Elements.

(g) May make additional improvements to the Common Elements.

(h) May acquire, hold, encumber and convey in its name any right, title, or interest to real estate or personal property, except as provided by section 3-112 of the Common Interest Ownership Act.

(i) May grant easements, leases, licenses, and concessions through or over the Common Elements.

(j) May impose and receive payments, fees, or charges for the use, rental or operation of the Common Elements and for services provided to Unit Owners.

(k) May impose charges for late payment of assessments and, after notice and a hearing, may impose reasonable fines for violations of the Bylaws and Rules of the Association.

(l) May provide indemnification for its officers and Executive Board and maintain directors and officers liability insurance.

(m) May assign its right to future income, including the right to receive assessments.

(n) May exercise any other power conferred by the Bylaws, the Common Interest Ownership Act, or which is legally provided for similar entities or which is necessary and proper to govern and operate the Association.

(o) May require that disputes between the Executive Board and Unit Owners or between two or more Unit Owners regarding the Association must be submitted to nonbinding alternative dispute resolution as a prerequisite to commencement of a judicial proceeding.

(p) May suspend any right or privilege of a Unit Owner that fails to pay an assessment, but may not:

(1) deny a Unit Owner or other occupant access to the Owner’s Unit;

(2) suspend a Unit Owner’s right to vote;
(3) prevent a Unit Owner from seeking election as a director or officer of the Association; or

(4) withhold services provided to a Unit Owner by the Association if the effect of withholding the service would be to endanger the health, safety, or property of any person.

2.2 Annual Meeting. The annual meeting of the Owners shall be held on the second Saturday in December of each year, or on such other date as the Executive Board may designate by prior written or e-mailed notice. The purpose of the annual meeting of the Owners shall be to elect the Executive Board and to transact such other business as may properly come before the meeting. If for any reason the annual meeting of the Association shall not be held on the date so designated, the meeting shall be called by the Secretary and held as soon thereafter as is practical and convenient, but not later than 60 days after the date designated by the Executive Board. Failure to hold the annual meeting at the designated time or place shall not work a forfeiture or dissolution of the Association.

2.3 Special Meetings. Special meetings of the Association may be called at any time by the President or by a majority of the Directors and must be called by the President upon receipt of a written request signed by Owners representing at least twenty percent (20%) of the aggregate votes in the Association or by twenty percent (20%) of the votes appertaining to Units entitled to vote on matters concerning the Limited Common Elements. Business transacted at any such special meeting shall be limited to those matters started in the notice of such special meeting.

2.4 Place of Meetings. All meetings of the Association shall be held at the office of the Association or at such other suitable place within the Town of Stowe, Vermont convenient to the Owners as may be designated by the Executive Board.

2.5 Notice of Meetings. Written notice of each annual or special meeting shall be given to each Unit Owner by the Secretary to such mailing or electronic mail address as the Unit Owner designates, and if there is no such designation, then to the mailing address of the Unit Owner as appears in the Town of Stowe Grand List or other municipal records. All such notices of any annual or special meeting shall be sent to each Unit Owner not less than 10 days and not more than 60 days before such meeting, and shall specify the place, the date and the hour of such meeting, and shall generally state those matters which the Association shall consider at the meeting.

The Association may deliver notices by:

(a) hand delivery to the Unit Owner;

(b) United States mail postage paid, or commercially reasonable delivery service to the mailing address of the Unit Owner;

(c) electronic means if the Unit Owner has given the Association an electronic address; or
(d) any other method reasonably calculated to provide notice to the Unit Owner, including notice delivered as part of a newsletter, email broadcast, or other publication regularly sent to the Unit Owners.

2.6 Quorum Requirement. At all meetings of the Owners, the presence in person, by proxy, or by absentee ballot of Owners representing fifty percent (50%) or more of the aggregate votes in the Association shall constitute a quorum. With respect to voting on matters pertaining to Limited Common Elements and the Limited Common Expenses related thereto, a necessary quorum shall consist of fifty percent (50%) or more of the voting power appertaining to the Units entitled to vote on such matters.

2.7 Voting Requirement. The vote to which each Owner is entitled shall be the percentage of ownership interest specified in the Statement of Values and Condominium Unit Ownership Interests attached to the Declaration as Appendix F as the same may be amended from time to time pursuant to and in conformance with the provisions of the Declaration. Except where a greater number or percentage is required and as otherwise provided by the Declaration or the Common Interest Ownership Act, all matters being considered at a meeting of the Association shall be decided by the affirmative vote of Owners representing a majority of the voting power in the Association present in person, by proxy, or by absentee ballot at the meeting at which a quorum is present. Voting rights and responsibilities on all matters pertaining to the General Common Elements together with payment of the General Common Expenses associated therewith and the Limited Common Elements together with payment of the Limited Common Expenses associated therewith shall be governed by the provisions of the Declaration to which reference may be had and which are incorporated herein.

2.8 Methods of Voting. 

(a) Unit Owners may vote at a meeting in person, by absentee ballot, by proxy, or by electronic or paper ballot when a vote is conducted without a meeting, all as provided more particularly hereinafter.

(b) Unit Owners who are present in person at a meeting may vote by voice vote, show of hands, standing, or any other method of determining the votes of Unit Owners, as designated by the person presiding at the meeting.

(c) If there is more than one record owner with respect to any Unit, all of such persons may attend any meeting of the Association, but it shall be necessary for those record owners present to act unanimously with respect to the vote appertaining to said Unit and to designate in writing one of them to vote on behalf of the Unit. In the absence of a written designation, if only one of multiple owners of a Unit is present, that owner shall be deemed to be authorized to exercise the vote of the Unit. The vote of a Unit owned by an entity or other organization may be exercised by a duly authorized agent of such entity or organization.

(d) A Unit Owner may vote by absentee ballot without being present at the meeting. The Secretary shall promptly deliver an absentee ballot to a Unit Owner upon request being made by such Unit Owner at least three days before the scheduled meeting.
When a Unit Owner votes by absentee ballot, the Secretary must be able to verify that the ballot is cast by the Unit Owner.

(e) The vote of a Unit Owner may be cast pursuant to a directed or undirected proxy duly executed by the Unit Owner. A Unit Owner may revoke a proxy only by actual notice of revocation provided to the person presiding over the meeting. A proxy is void if it is not dated or purports to be revocable without notice. A proxy is valid only for the meeting at which it is cast and any recessed session of that meeting. A person may not cast undirected proxies representing more than 15 percent of the votes in the Association.

(f) A vote may be conducted without holding a meeting by means of paper or electronic ballot. The Association shall notify the Unit Owners that the vote will be taken by ballot. The following provisions shall govern voting by ballot:

1. A paper or electronic ballot shall be distributed to every Unit Owner that provides an opportunity to specify approval or disapproval of each order of business proposed to be acted upon by the Association;

2. The notice transmitting the ballot must indicate the number of responses needed to meet the quorum requirement and must state the percent or number of votes necessary to approve each matter other than the election of Directors;

3. The notice transmitting the ballot must specify the time and date by which the ballot must be delivered to the Association to be counted, which time and date may not be fewer than three days after the date the Association delivers the ballot;

4. The notice transmitting the ballot must describe the time, date, and manner by which a Unit Owner wishing to deliver information to all Unit Owners regarding the subject of the vote may do so;

5. The number of ballots cast within the time period specified equals or exceeds the quorum required to be present at a meeting authorizing the action;

6. Approval by ballot is valid only if the number of votes cast by ballot equals or exceeds the number of votes that would be required to approve at a meeting at which the total votes cast was the same as the number of ballots cast;

7. A ballot is not revoked after delivery to the Association by death or disability of the person that cast the vote; and

8. A Unit Owner may revoke the ballot, or substitute another, by a writing received by the Association prior to the time specified in subsection (3) hereinbefore but may not do so thereafter.

2.9 Conduct of Meetings. The President shall preside over all meetings of the Association and the Secretary shall keep the minutes of the meeting and record in a minute book all resolutions adopted at the meeting as well as a record of all business transacted at such meeting. The then current edition of Robert's Rules of Order shall
govern the conduct of all meetings of the Association when not in conflict with these Bylaws or the Common Interest Ownership Act.

2.10 **Adjournment.** If any meeting of the Association cannot be duly convened for lack of a quorum, the meeting may be adjourned by the Owners representing a majority of the voting power of the Association present at such meeting in person or by proxy until a quorum is present for convening the meeting.

**ARTICLE 3**

**EXECUTIVE BOARD**

3.1 **Number and Qualifications.**

(a) **Executive Board Members.** The business and affairs of the Association shall be governed by an Executive Board composed of five persons, all of whom shall be Unit Owners. An officer of a corporation or other entity that is the record owner of a Unit shall be deemed to be an Owner for the purpose of qualifying as a candidate for election to the Executive Board. The Directors shall act only as a Board, and individual Directors shall have no power as such.

(b) **Associate Directors.** Each Building shall be entitled to name an Owner in that Building as an Associate Director to serve for a one-year term. Associate Directors will be entitled to participate in Executive Board meetings, with the same rights and privileges as Directors, except that Associate Directors will not have any voting rights.

3.2 **Election and Term of Office.** Directors shall be elected by the Owners at each annual meeting of the Association by a majority of the voting power cast in person, by proxy, or by written ballot at such meeting. The terms of office of the members of the Executive Board shall be fixed at three years for two Directors, two years for two Directors, and one year for one Director, respectively. Thereafter as the term of office of each member of the Executive Board expires, the Owners shall elect a successor to serve for the same term. A member of the Executive Board may succeed himself or herself in office.

3.3 **Powers and Duties.** The Executive Board acts on behalf of the Association and shall exercise the degree of care and loyalty to the Association required of an officer or director of a corporation organized and subject to the conflict of interest rules governing directors and officers under the Vermont Nonprofit Corporation Act and shall have all of the powers of the Association not delegated to the Unit Owners in accordance with these Bylaws and as otherwise provided in the Common Interest Ownership Act. To this end, the Executive Board shall have the following powers and authorities, subject to the limitations set forth hereinafter:
(a) Adopt an annual budget as provided in §3-123 of the Common Interest Ownership Act in which there shall be established the assessments of each Unit Owner for payment of the Common Expenses including all payments, costs, and obligations pertaining to the General Common Elements and the Limited Common Elements.

(b) Make assessments against Unit Owners for payment of the Common Expenses subject to provisions in the Declaration governing allocation of and responsibility for the Common Expenses as to General Common Expenses and Limited Common Expenses, establish the means and methods of collecting such assessments, payments, costs, and obligations, and take all actions necessary to collect such assessments, payments, costs, and obligations. Unless otherwise determined by the Executive Board, the annual assessments shall be payable in equal quarterly installments on or before the first day of January, April, July, and October during each year.

(c) Provide and arrange for the operation, care, upkeep, and maintenance of the Condominium Property and all services necessary or advisable for the common use and enjoyment of the Unit Owners.

(d) Designate, hire, and dismiss any personnel necessary for the maintenance, operation, repair, and replacement of the Common Elements and to determine the amount of and provide compensation for such personnel and for the acquisition of equipment, supplies, and materials as such personnel shall need for the proper performance of their duties.

(e) Open savings, checking, and other accounts at banks and other depositories on behalf of the Association, to designate the signatories thereon, and to deposit therein all assessments and charges collected from the Unit Owners and to make appropriate disbursement thereof for carrying out management and administration of the condominium project.

(f) Adopt and amend from time to time reasonable Rules governing the use and care of the Common Elements, and the personal conduct of the Unit Owners and their family members, tenants, and guests thereon, and to establish penalties for the infraction of such Rules. Prior to adopting, amending or repealing any Rule, the Executive Board shall give to all Unit Owners notice of: (1) its intention to adopt, amend or repeal a Rule and provide the text of the Rule or proposed change; and (2) the date on which the Executive Board will act on the proposed Rule or amendment after considering comments from Unit Owners. Following adoption, amendment or repeal of a Rule, the Executive Board shall give notice to the Unit Owners and provide a copy of any new or revised Rule.

(g) Make contracts, hire contractors, and arrange for all necessary repairs, additions, and improvements to or alterations of the Condominium Property pursuant to and in conformance with the Declaration and these Bylaws and for proper operation and management of the Condominium Property provided however that any cost thereof in
excess of $10,000.00 shall require the prior consent of Owners representing at least two-thirds (66.66%) of the voting power of the Association.

(h) Enforce by legal means the provisions of the Declaration, these Bylaws, and any Rules and act on behalf of the Unit Owners with respect to all matters within the jurisdiction of the Executive Board.

(i) Employ and retain and at its discretion discharge and suspend such accountants, attorneys, and other advisors as the Executive Board shall determine.

(j) Pay the cost of all authorized services and charges incurred by and for the benefit of the Association which are not billed to Owners of individual Units or as otherwise provided for in the Declaration.

(k) Keep books and records with detailed financial accounts of the receipts and expenditures concerning the Condominium Property and administration of the condominium project specifying the expense of maintenance and repair of the Common Elements and any other expenses incurred, such books and records to be available for examination by Owners or their duly authorized representatives during normal business hours. All books and records shall be kept in accordance with standard accounting practices.

(l) Execute and deliver any check, draft, note, receipt, endorsement, release, contract, agreement, or other document serving to bind and obligate the Association subject to the limitations and restrictions contained in the Declaration or these Bylaws and as specifically limited hereinafter.

(m) Borrow money for and on behalf of the Association when required for operation, care, upkeep, and maintenance of the Common Elements, provided however that the consent of Owners representing at least two-thirds (66.66%) of the voting power of the Association shall be required to borrow any funds in excess of $10,000.00.

(n) Obtain and maintain insurance against casualties and liabilities, pay the premiums therefor, and adjust and settle any claims, payments, or proceeds in connection therewith as provided more particularly in the Declaration.

(o) Take all other actions and perform all other acts as shall be in furtherance of the common welfare, benefit, and enjoyment of the Unit Owners as the Executive Board shall determine and as the Board may be authorized to do hereunder.

(p) The Executive Board shall not amend these Bylaws.

(q) The Executive Board shall not elect members of the Executive Board, but may fill vacancies in its membership for the unexpired portion of any term, or if earlier, until the next regularly scheduled election of Executive Board members.
(r) The Executive Board shall not determine the qualifications, powers, duties, or terms of office of Executive Board members.

(s) No Director shall receive any compensation from the Association for acting as a Director. However, any Director may be reimbursed for actual expenses incurred in the performance of the Director's duties.

3.4 Manager. The Executive Board shall have the right to employ a Manager to administer and manage the Condominium at a compensation to be determined by the Executive Board. In the absence of any such appointment the President of the Association shall act as a manager.

3.5 Removal or Resignation. At any duly convened meeting of the Owners, any one or more of the Directors may be removed for any reason with or without cause by the affirmative vote of Owners present thereat in person or by proxy representing a majority of the voting power of the Association. A successor may then and there be elected to fill the vacancy thus created for the balance of the unexpired term appertaining to such vacancy. Any Director whose removal has been proposed by the Owners shall be given at least seven days notice of the time, place and purpose of the meeting and shall be given an opportunity to be heard at the meeting. A Director may resign at any time and shall be deemed to have resigned automatically upon sale, conveyance, or other cessation of ownership of such Director's Unit.

3.6 Vacancy. Any vacancy in the membership of the Executive Board caused by any reason other than the removal of a Director by vote of the Owners shall be filled by vote of a majority of the remaining Directors though less than a quorum thereof may exist at the time of such vote. Any replacement Director so elected by the Executive Board shall hold office for the balance of the unexpired term resulting from such vacancy.

3.7 Regular Meetings. The Executive Board of shall conduct regular meetings at least twice a year one of which such meetings shall immediately follow the annual meeting of the Owners and shall be for the purpose of electing officers and transacting such other business as may properly come before the meeting. Other regular meetings of the Executive Board may be held at such time and place as shall be determined from time to time by a majority of the Directors.

3.8 Special Meetings. Special meetings of the Executive Board may be called at any time by the President and shall be called by the President or Secretary upon request of any Director. Business transacted at any such special meeting shall be limited to those matters specified in the notice thereof provided however that if all Directors are present at any such special meeting, any lawful business may be transacted regardless of specification in the notice.

3.9 Place of Meetings. All meetings of the Directors shall be held at the office of the Association or at such other suitable place within the Town of Stowe, Vermont as the Directors may designate.
3.10 Notice of Meetings. Notice of regular meetings of the Executive Board shall be given to each Director and Unit Owner by United States mail, hand delivery, electronic mail (if agreed to by the Director or Owner), or facsimile transmission, at least 10 days prior to the day named for such meeting. Notice of any special meeting shall be given to each Director and Unit Owner by United States mail, hand delivery, electronic mail (if agreed to by the Director or Owner), or facsimile transmission, at least 10 days prior to the day named for such meeting, unless the meeting is called for emergency purposes, in which event the notice period may be shortened as provided in the Common Interest Ownership Act. All notices shall state or specify the purposes for which a meeting is being called and the business to be transacted thereat.

3.11 Quorum and Voting Requirements. At all meetings of the Executive Board, a majority of the Directors shall constitute a quorum for the convening of the meeting and transaction of business. All matters and business being considered at the meeting shall be decided and acted upon by the affirmative vote of a majority of the Directors present at the meeting at which a quorum is present, unless otherwise required by the Declaration or these Bylaws. Each Director shall have and be entitled to cast one vote.

3.12 Participation by Electronic Means. Directors may participate in any meeting of the Executive Board by use of any means of communication, including audio conference or conference telephone call, by which all Directors participating in the meeting may simultaneously hear each other, and participation in a meeting in such a manner shall constitute presence in person at the meeting.

3.13 Executive Sessions. The Executive Board may hold executive sessions in a regular or special meeting (from which others are excluded) by affirmative vote of two-thirds of the members of the Executive Board present at a meeting. A motion to go into executive session shall indicate the nature of the business of the executive session, and no other matter shall be considered in the executive session. No formal or binding action may be taken in executive session. An executive session may be held only to:

(a) consult with the Association’s lawyers concerning legal matters;

(b) discuss existing or potential litigation or mediation, arbitration or administrative proceedings;

(c) discuss labor or personnel matters;

(d) discuss contracts, leases and other commercial transactions to purchase or provide goods or services currently being negotiated, including the review of bids or proposals, if premature general knowledge of those matters would place the Association at a disadvantage; or

(e) prevent public knowledge of the matter to be discussed if the Executive Board determines that public knowledge would violate the privacy of any person.

3.14 Open Meetings. Subject to the aforesaid provisions governing executive
sessions, the Executive Board shall provide a reasonable opportunity for Unit Owners to comment regarding any matter affecting the Association. Unless the meeting is included in a schedule given to the Unit Owners, or the meeting is called to deal with an emergency, the Secretary shall give notice of each Executive Board meeting to each Director and Unit Owner at least 10 days before the meeting, which said notice shall state the time, date, place, and agenda of the meeting.

3.15 Waiver of Notice. Any Director may at any time, in writing, waive notice of any meeting of the Executive Board, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meeting of the Executive Board shall constitute a waiver of notice by the Director of the time, place and purpose of that meeting. If all Directors are present at any meeting of the Executive Board, no notice shall be required and any business may be transacted at such meeting.

3.16 Action Without Meeting. Instead of meeting, the Executive Board may act by unanimous consent as documented in a record authenticated by all its members. Consent may be evidenced by written consent, e-mail, or facsimile transmission. The Secretary shall promptly give notice to all Unit Owners of any action taken by written consent. The Executive Board may act by unanimous written consent only to undertake ministerial actions or to implement actions previously taken at a meeting of the Executive Board.

3.17 Discretion of Executive Board. The Executive Board may determine whether to take enforcement action by exercising the Association's powers to impose sanctions or commence an action for a violation of the Declaration, these Bylaws, and the Rules, including whether to compromise any claim for unpaid dues or assessments or other claims made by or against it. The Executive Board shall not have a duty to take enforcement action if it determines that, under the facts and circumstances presented,

(a) the Association's legal position does not justify taking any or further enforcement action;

(b) the covenant, restriction or Rule being enforced is, or is likely to be, construed as inconsistent with law;

(c) although a violation may exist or may have occurred, it is not so material as to be objectionable to a reasonable person or to justify expending the Association's resources; or

(d) it is not in the Association's best interest to pursue an enforcement action.

The Executive Board's decision not to pursue enforcement under one set of circumstances shall not prevent the Executive Board from taking enforcement under another set of circumstances, but the Executive Board shall not be arbitrary or capricious in taking enforcement action.

3.18 Committees. The Executive Board may designate such committees as the Executive Board may appoint from time to time to act on behalf of the Executive Board.
Each committee so designated shall have full authority to act for the Executive Board within the scope of authority delegated to such committee. Each committee shall consist of three or more persons who shall be appointed by an affirmative vote of a majority of the Directors present at the annual meeting of the Directors or at a special meeting of the Directors called for that purpose. Members of committees need not be members of the Executive Board, except that all members of the Executive Committee shall be Directors, and provided further that at least one member of the Executive Board shall serve on any other committee. The delegation and appointment of any such committee and the delegation thereto of authority shall not operate to relieve the Executive Board of any responsibility imposed upon it by law.

ARTICLE 4

OFFICERS OF THE ASSOCIATION

4.1 Designation. The principal officers of the Association shall be the President, Vice President, Secretary, and Treasurer. In addition, the Executive Board may elect and/or appoint one or more Vice Presidents, an assistant Secretary, assistant Treasurer, and such other officers as the Board may determine in its judgment to be necessary or advisable. Any two offices, except those of President and Secretary, may be held by the same person. All officers must be members of the Association. All officers shall be Unit Owners.

4.2 Election and Term of Office. The officers shall be elected annually by vote of the Executive at the regular meeting of the Directors following the annual meeting of the Owners. Each officer shall serve for a one-year term and shall continue in office until the next annual election of officers subject to the right of the Executive Board to remove any officer at any time with or without cause. An officer may succeed himself in office.

4.3 Officers. The principal officers of the Association and their respective duties and authorities are as follows:

(a) President. The President shall preside at all meetings of the Owners and of the Executive Board. The President shall have and exercise general supervision over the business and affairs of the Association including but not limited to execution of all documents and taking of all actions necessary or desirable to further the interests of the Association. As chief executive officer, the President shall perform all duties incident to the office of President and shall have and exercise such additional powers and duties as may be assigned to him from time to time by the Executive Board.

(b) Vice President. The Vice President shall perform the duties of the President in his absence or disability and such other duties as the Executive Board or the President may prescribe.
(b) **Secretary.** The Secretary shall have charge of all books and records pertaining to the organization and operation of the Association and shall be responsible for keeping and filing all reports, statements, and other documents required by law except to the extent that the same are to be kept or filed by the Treasurer. The Secretary shall keep true and complete minutes of all meetings of the Owners and of the Executive Board. The Secretary shall keep an accurate and current record of the names and addresses of all members of the Association. The Secretary shall give or cause to be given notice of all meetings of the members and of the Executive Board in accordance with these Bylaws or as otherwise required by law. In addition to these particular duties, the Secretary shall perform all other duties incident to the office of Secretary and shall have such other responsibilities as may be assigned from time to time by the President or the Executive Board.

(c) **Treasurer.** The Treasurer shall have custody of and be responsible for all of the funds of the Association and shall keep accurate and complete records of all receipts, disbursements, and other financial transactions of the Association. The Treasurer shall deposit all receipts and other funds of the Association in such banks or other depositories as are designated by the Executive Board and shall disburse funds of the Association in such amounts and to such persons as may be ordered by the Executive Board. The Treasurer shall render to the Executive Board all financial transactions of the Association and of its financial condition. In addition to these particular duties, the Treasurer shall perform all other duties incident to the office of Treasurer and shall have such other responsibilities as may be assigned from time to time by the President or Executive Board. The Treasurer may delegate the daily handling of income receipts and expense payments to the Manager or other person designated and employed by the Executive Board for such purpose.

4.4 **Removal or Resignation.** At any duly convened meeting of the Executive Board, any officer may be removed for any reason by majority vote of the Directors present at such meeting and a successor may then and there be elected to fill the vacancy thus created for the balance of the unexpired term appertaining to such vacancy. An officer may resign at any time and shall be deemed to have resigned automatically upon sale, conveyance, or other cessation of ownership of the Unit owned by such officer.

4.5 **Vacancy.** In case any office of the Association becomes vacant for any reason, the Executive Board may by majority vote elect a successor who shall hold office for the balance of the term appertaining to such vacancy.

**ARTICLE 5**

**OPERATION OF THE CONDOMINIUM PROJECT**

5.1 **Fiscal Year.** The fiscal year of the Association shall be the calendar year unless otherwise determined by the Executive Board.
5.2 Adoption of Budget. The Executive Board, at least annually, shall adopt a proposed budget for the Association for consideration by the Unit Owners. Not later than 30 days after adoption of a proposed budget, the Executive Board shall provide to all Unit Owners a summary of the budget, including any reserves, and a statement of the basis on which any reserves are calculated and funded. The proposed budget shall set forth in a reasonably itemized manner the total amount of the estimated funds necessary to cover the Common Expenses including both General Common Expenses and Limited Common Expenses for the ensuing calendar year. Simultaneously, the Executive Board shall set a date not less than 10 days or more than 60 days after providing the summary for a meeting of the Unit Owners to consider ratification of the budget. Unless at that meeting a majority of all Unit Owners reject the budget, the budget is ratified, whether or not a quorum is present. If a proposed budget is rejected, the budget last ratified by the Unit Owners continues until Unit Owners ratify a subsequent budget. Different voting rights and responsibilities apply to the General Common Expenses and to the Limited Common Expenses as provided in the Declaration.

5.3 Special Assessments. In addition to the annual assessments the Executive Board may levy special assessments from time to time for the purpose of defraying, in whole or in part, the cost of construction, reconstruction, repair, improvement, or replacement of any of the Common Elements or any cost, charge, or expense arising from extraordinary circumstances or an emergency situation not covered by the annual assessments. The special assessment is effective only if the procedures for ratification of the regular annual budget are followed and the Unit Owners do not reject the proposed special assessment, provided, however, that if the Executive Board determines by a two-thirds vote that a special assessment is necessary to respond to an emergency, the special assessment becomes effective immediately, in which event notice of the emergency assessment must be provided promptly to all Unit Owners, and the Executive Board may spend the funds paid on account of the emergency assessment only for the purposes described in the Executive Board's vote.

5.4 Payment Liability. The Association shall provide Unit Owners with notice that an assessment is due at least thirty days prior to the due date. Each Unit Owner shall be liable to the Association for payment of the full amount of all assessments made by the Association and may not be exempted or discharged from liability for payment thereof by not using or waiving the right to use the Common Elements. Any delinquency shall be a lien upon the Owners Unit and may be foreclosed by the Association. Any omission by the Executive Board before the expiration of any year to fix the assessments hereunder for the ensuing year shall not be deemed a waiver, modification, or termination in any respect of the provisions contained in the Declaration and these Bylaws with regard to each Owner's assessment payment liability or a release of any Owner from the obligation to pay the assessment attributable to the Owner's Unit or any installment hereof for that or any subsequent year. In the event of any such omission the assessment fixed for the preceding year shall continue until a new assessment is determined and approved at duly convened meetings of the Executive Board and the Owners for that purpose.
5.5 **Delinquent and Collection Costs.** If a Unit Owner fails to pay when any assessment is due, the Unit Owner shall be liable for a late charge of $50.00, plus interest on the delinquent amount from the due date at the rate of 12% per annum. In the event collection is required, the Unit Owner shall be responsible for reimbursing the Association for its attorney's fees and costs in connection with the collection of same, including the cost of foreclosure if necessary.

5.6 **Lien Against the Delinquent Member's Unit.** The Association shall have a lien against a delinquent Owner's Unit covering all delinquent assessments, late charge, interest, and collection costs, including attorney's fees then or thereafter arising or incurred by the Association. If the Topnotch Townhouse Condominiums Area Association, Inc. also has a lien against the Owner's Unit for delinquent assessments and related costs, the Area Association lien and the Cluster Association lien shall have the same priority. The Association’s lien may be foreclosed pursuant to Vermont Statutes Annotated Title 12 §4531a, and any successor statutory provision, and subject to governing provisions in the Common Interest Ownership Act.

5.7 **Statement of Assessments.** The Executive Board shall promptly provide a written statement of all unpaid assessments or prorated portions thereof due from a Unit Owner to any Owner, contract purchaser, or mortgagee requesting information regarding the status of unpaid assessments for any particular Unit. Any such written statement of assessments may be relied upon by the person or entity requesting same and there shall be no further obligation or liability for payment other than that set forth in the statement.

5.8 **Insurance.** Insurance coverage for the Common Elements and use of the Condominium Property shall be maintained in conformance with the requirements, terms, and conditions regarding insurance coverage for the condominium project as are contained in the Declaration and as shall otherwise be required by law. The cost of premiums for all such insurance coverage together with any reserve or contingency funds set aside to cover the deductible amounts contained in the policies of insurance obtained and maintained by the Executive Board shall be a component of the annual budget to be paid by the Owner or Owners responsible therefor.

**ARTICLE 6**

**LIMITATION OF LIABILITY OF DIRECTORS, OFFICERS, UNIT OWNERS, AND THE ASSOCIATION**

6.1 **Directors and Officers.** No member of the Executive Board or officer shall be liable to the Association for any mistake of judgment, negligence, or otherwise, except for individual willful misconduct or bad faith. Officers and the members of the Executive Board shall have no personal liability with respect to any contract or agreement made by them on behalf of the Association. Every contract or agreement entered into for and on behalf of the Association shall be executed by the officer(s) or member(s) of the Executive Board acting only as agents for the Association. The liability of each Unit Owner benefitting from any such contract or agreement entered into by and for the
Association shall be limited to the total obligation created by the contract or agreement, multiplied by each such Unit Owner's percentage of ownership interest in the Common Elements.

6.2 **Unit Owners and the Association.** The Association shall not be liable for any failure of utility services to the Condominium Property or for injury or damage to person or property caused by the elements or by the Owner of any Unit or any other person or resulting from damage from electrical charge, water, snow, or ice upon, leaking into, or otherwise damaging any portion of the Common Elements. The Association shall not be liable to any Unit Owner for loss or damage by theft or otherwise of articles of personal property which may be stored upon any of the Common Elements. No diminution or abatement of any assessments shall be claimed or allowed for inconvenience or discomfort arising from the making of repairs or improvements to the Common Elements or from any action taken by the Association to comply with any law, ordinance, or directive of any municipal or other governmental authority.

6.3 **Indemnification.** The Association shall indemnify and hold harmless each officer and member of the Executive Board from and against all claims, actions, suits, damages, and expenses reasonably incurred by such officer or Director in connection with any action, claim or proceeding in which such officer or Director is involved by reason of such officer's or Director’s position and duties in the Association except in relation to matters wherein it is finally adjudged that there has been gross negligence, willful misconduct, or bad faith in the performance of such officer's or Director's duties for the Association.

**ARTICLE 7**

**ENFORCEMENT**

The breach or violation of any provisions contained in the Declaration or these Bylaws or in any Rules adopted by the Executive Board shall give the Executive Board on behalf of the Association the right, in addition to all other rights and remedies the Board is entitled to exercise, to abate, enjoin, or otherwise prevent the continuance of any such breach or violation by appropriate legal proceedings or by such other lawful means and actions as shall be necessary under the circumstances attending the breach or violation.

**ARTICLE 8**

**MISCELLANEOUS PROVISIONS**

8.1 **Interpretation.** The provisions of the Condominium Documents shall be liberally construed to effectuate their purpose of creating a uniform plan for the development and operation of the condominium project in accordance with the Common Interest Ownership Act.
8.2 **Severability.** The provisions of these Bylaws shall be deemed independent and severable and the invalidity or partial invalidity or unenforceability of any one provision or portion thereof shall not affect the validity or enforceability of any provision.

8.3 **Amendment.** These Bylaws may be amended by affirmative vote of Owners representing at least two-thirds (66.66%) of the voting power in the Association at any meeting duly warned for that purpose.

8.4 **Effective Date.** These Bylaws shall take effect upon recording.

The undersigned President and duly authorized agent of the Association does on this ____ day of __________, 2012 confirm and attest that at least 67% of the voting power held by Owners of the Condominium did approve these Amended and Restated Bylaws.

River Court Condominium Owners Association, Inc.

By: ________________________________
Donald Huffman, President

STATE OF VERMONT
COUNTY OF LAMOILLE

At Stowe, in said County, on this ____ day of __________ 2012, Donald Huffman, President and authorized agent of River Court Condominium Owners Association, Inc., personally appeared, and he attested to the truth of the foregoing and acknowledged this instrument, by him sealed and subscribed, to be his free act and deed and the free act and deed of River Court Condominium Owners Association, Inc.

Before me ________________________________
Notary Public
My commission expires: