

VILLMARKSAUNA CONDOMINIUM ASSOCIATION

BYLAWS

**TABLE OF CONTENTS
BYLAWS**

VILLMARKSAUNA

ARTICLE I	Generally
Section 1.01	Applicability
Section 1.02	Compliance
Section 1.03	Definitions.....
ARTICLE II	Organization
Section 2.01	Name
Section 2.02	Use of Name
Section 2.03	Principal Office.....
Section 2.04	Purposes
ARTICLE III	Association Members
Section 3.01	Composition.....
Section 3.02	Transfer of Membership
Section 3.03	Voting Rights
Section 3.04	Communication Among Members.....
ARTICLE IV	Meetings of Association
Section 4.01	Voting - Processes.....
Section 4.02	Meetings.....
Section 4.03	Action Without Meeting by Written Ballot
Section 4.04	Record Date
Section 4.05	Proxies.....
Section 4.06	Inspectors of Election
ARTICLE V	Board of Directors
Section 5.01	Number and Qualification.....
Section 5.02	Nominating Committee; Nomination by Members
Section 5.03	Election and Term of Office
Section 5.04	Removal or Resignation of Directors
Section 5.05	Vacancies
Section 5.06	Meetings of the Board of Directors

Section 5.07	Waiver of Notice.....	
Section 5.08	Quorum	
Section 5.09	Compensation	
Section 5.10	Action Without Meeting	
Section 5.11	Minutes of Meetings	
Section 5.12	Discretion of Board of Directors.....	
Section 5.13	Adoption, Amendment or Repeal of Rules.....	
Section 5.14	Budgets; special Assessments.....	

ARTICLE VI Officers.....

Section 6.01	Designation	
Section 6.02	Election of Officers.....	
Section 6.03	Removal or Resignation of Officers	
Section 6.04	Officers	
Section 6.05	Compensation of Officers	
Section 6.06	Resale Certificates; Statements of Unpaid Assessments	
Section 6.07	Bonds	

ARTICLE VII Liability; Indemnification

Section 7.01	Liability of the Board of Directors, Officers, Members and Association.....	
Section 7.02	Exculpation	

ARTICLE VIII Books and Records.....

Section 8.01	Books and Records	
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ARTICLE IX Miscellaneous.....

Section 9.01	Amendment.....	
Section 9.02	Notices	
Section 9.03	Captions	
Section 9.04	Gender.....	
Section 9.05	Checks; Drafts; Contracts and Instruments.....	
Section 9.06	Fiscal Year	

Section 10.01	Amendment.....	23
Section 10.02	Notices	23
Section 10.03	Sections; Captions.....	24
Section 10.04	Fiscal Year	24
Section 10.05	Checks; Drafts; Contracts and Instruments.....	24

Section 10.06 Gender.....	25
Section 10.07 No Waiver.....	25
Section 10.08 Binding Effect.....	25
Section 10.09 Severance.....	25
Section 10.10 Applicable Laws.....	25
Section 10.11 Saving Provision.....	26

VILLMARKSAUNA CONDOMINIUM ASSOCIATION

BYLAWS

ARTICLE I

Section 1.01. Applicability.

These Bylaws provide for the governance of the Association, a Vermont nonprofit unincorporated association organized pursuant to the Vermont Condominium Ownership Act. By approval of the Amended and Restated Declaration of Villmarksauna Condominium, the Members and the Association have submitted the Condominium to the provisions of the Vermont Common Interest Ownership Act (the “Act”).

Section 1.02. Compliance.

Every Member and all those claiming thereunder shall comply with these Bylaws.

Section 1.03. Definitions.

(a) Each capitalized term used herein without definition shall have the meaning specified in the Act, the Declaration or these Bylaws.

(b) As used in these Bylaws,

Act - the Vermont Common Interest Ownership Act (27A V.S.A.), as amended from time to time.

Apartment – a residential unit located on the Property.

Association - The Villmarksauna Condominium Association, a Vermont unincorporated association, its successors and assigns.

Board of Directors - the Executive Board as described in Article V.

Declaration - the Amended and Restated Declaration of the Villmarksauna Condominium, as it may be amended from time to time.

Director - a member of the Board of Directors.

Majority of the Members - Members with more than 50 percent of the votes cast at a Meeting at which a quorum is present.

Manager or Managing Agent - the Person designated by the Board of Directors to provide

administrative and other services to the Association.

Meetings – a gathering of members for the purpose of conducting Association business.

Members - the owners of Apartments located on the Property as provided in Section 3.01(b).

Owner of Record - as set forth in Section 3.03.

Person - an individual, corporation, business trust, estate, trust, partnership, limited liability company, association, joint venture, public corporation, government, or governmental subdivision, agency, or instrumentality, or any other legal or commercial entity.

Property - the real property described in Section 3.01 of the Declaration.

Roster - an alphabetical list of the names of all Members who are entitled to receive notice of a Meeting which shall include the address of each Member entitled to vote.

Rule - a policy, guideline, restriction, procedure or regulation, however denominated, adopted by the Board of Directors, governing the conduct of Persons or the use or appearance of the Property; “Rule” shall not include the Association’s internal business operating procedures.

Sanctions - the suspension of the rights and privileges of a Member or the imposition of monetary penalties or other actions authorized or permitted by law, the Declaration, these Bylaws or Rules.

ARTICLE II **Organization**

Section 2.01. Name.

The name of the Association is the “Villmarksauna Condominium Association.”

Section 2.02. Use of Name.

No person, committee or group of Members, other than those elected by the Members or appointed or authorized by the Board of Directors, shall use in their name the name “Villmarksauna Condominium Association” or any variant thereof, or the initials thereof or any other names, words or phrases that would tend to or give the impression that the Member, the committee or the group of Members is acting for or on behalf of the Association.

Section 2.03. Principal Office.

The office of the Association shall be located at the Property or at such other place as may be designated from time to time by the Board of Directors.

Section 2.04. Purposes.

- (a) The Association has the following purposes and objectives:
 - (i) To hold, manage, regulate and maintain certain portions of the Property for the benefit of the Members in accordance with applicable law, the Declaration and these Bylaws;
 - (ii) To set and collect Common Expenses, special assessments and certain use fees and other fees and charges as may be determined from time to time by the Board of Directors;
 - (iii) To provide the Members with voting rights concerning the administration of the Association's affairs;
 - (iv) To represent the interests of the Members as the Board of Directors determines to be necessary before all federal, State or local agencies, boards and commissions involved with environmental, land use and other matters; and
 - (v) Any purpose which may be necessary or appropriate to further the interests of the Association.

(b) The Association may, for a fee and at the request of Members owning in the aggregate more than 50 percent of the undivided interests in an Apartment committed to Interval Shares, become and thereafter provide the services of, the Managing Agent of that Apartment, or hire a third party to provide the same, including the establishment of a budget and assessment of Members and all other duties and responsibilities of the Managing Agent set forth in the applicable Declaration of Interval Shares; except that the Association shall not have the right to exercise the voting and other membership rights of the Members in Association matters.

ARTICLE III **Association Membership**

Section 3.01. Composition.

(a) Membership in the Association shall be as set forth in the Declaration.

(b) If an Apartment is owned by more than one Person all of them shall be Members of the Association but, for purposes of the representation of the Apartment or with regard to the affairs of the Association and the voting of the Members of the Association, the Apartment, except as provided in Section 3.03, shall be represented by and entitled to a single vote equal to that amount set forth in Section 3.03(a), which shall be exercised and cast by the individual designated pursuant to Section 3.03(b). Ownership of an Apartment shall be the sole qualification for Membership in the Association.

Section 3.02. Transfer of Membership.

The Membership of an Member shall be appurtenant to the Apartment giving rise to the Membership, and shall not be assigned, transferred, pledged, conveyed or alienated in any way except upon the transfer of title to the Apartment and then only to the transferee of title to the Apartment. Any attempt to make a prohibited transfer shall be void. Any transfer of title to an Apartment shall operate automatically to transfer the Membership in the Association appurtenant thereto to the new owner thereof.

Section 3.03. Voting Rights.

(a) Votes in the Association shall be calculated as set forth in the Declaration.

(b) When an entity or more than one Person is the owner of an Apartment, one individual shall be appointed by the entity or all owners of such Apartment as the "Owner of Record" and the Owner of Record shall give notice of his or her appointment to the Association. A certified resolution shall be sufficient evidence of the authority of the individual for an entity. All notices from the Association shall be sent to, and the vote for that Apartment shall be exercised by, the Owner of Record. Each Member shall be responsible for notifying the Board of Directors of the name and address of his or her Owner of Record, if any.

(c) The vote for each Apartment may be cast only as a whole, and split votes shall not be allowed. If the Owner of Record casts a vote, it will be conclusively presumed for all purposes that he or she acted with the authority and consent of all other owners of the Apartment. The Association shall only be required to accept the vote cast by the Owner of Record.

(d) Except where a greater number is required by these Bylaws, the Act or the Declaration, the affirmative vote of a Majority of the Members voting at one time at a duly convened Meeting at which a quorum is present is required to adopt decisions at any Meeting.

Section 3.04. Communication Among Members.

The Board of Directors shall establish a reasonable method for Members to communicate among themselves and with the Board of Directors on matters concerning the Association.

ARTICLE IV

Action by Members; Meetings of Members

Section 4.01. Voting - Processes.

- (a) Action may be taken by the Members;
 - (i) at a Meeting by voting in person, through a proxy or by absentee ballot; or
 - (ii) without a Meeting, by written ballot or by electronic ballot.

(b) Action by vote at a Meeting shall be evidenced by voice, show of hand or other manifestation of intent as designated by the presiding officer.

(c) If the Association delivers to every Member entitled to vote on a matter a written ballot which sets forth the proposed action and provides an opportunity to vote for or against the action, then action on that matter shall be determined by the written ballots, so long as the number of votes cast by ballot exceeds the quorum requirement and the requirements generally for approval of actions. The requirement of a written ballot shall be satisfied by a ballot submitted by electronic transmission, so long as the electronic transmission is submitted with information from which it can be determined that the electronic transmission was authorized by the Member.

(d) No Person may cast undirected proxies representing more than 15 percent of the votes in the Association.

Section 4.02. Meetings.

(a) **Location.** All Meetings shall be held at the Property or at an alternative location chosen by the Executive Board.

(b) **Annual (Regular) Meetings.**

(i) The annual Meeting shall be held on a date and at a time to be determined by the Executive Board.

(ii) At each annual Meeting,

(A) The President and Treasurer shall report on the activities and financial condition of the Association;

(B) there shall be elected one or more Directors in accordance with the requirements of these Bylaws; and

(C) the Members shall consider and act on such other matters as may properly come before the Meeting.

Any matter which a Member desires to bring before the Meeting for a binding vote must be properly noticed to the Secretary in writing at least 10 days before notice of the Meeting is given, and must be supported and signed by one or more Members having at least 10 percent of all of the votes in the Association. Such noticed matter shall be included and presented to the Membership in the notice of the Meeting in such form as the Board of Directors may reasonably determine.

(iii) Written notice of each annual Meeting shall be given to each Member by the

Secretary in the manner provided in these Bylaws. Notice of an annual Meeting shall be sent to each Member not less than 10 days and not more than 60 days before the Meeting; 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.

- (iv) Prior to each annual Meeting, a Roster shall be prepared. The Roster shall be made available for inspection at the Association's principal office by Members or their agents for the purpose of communication with other Members concerning the Meeting. Upon reasonable request, the Roster shall be provided to a Member prior to the annual Meeting and shall be available for a Member or the Member's agent to inspect at any time during the Meeting or during any adjournment. A Member who inspects the Roster shall not make any use of the Roster to solicit money or property or for any other commercial purpose or to distribute the names on the Roster to any person who is not an Owner or for any purpose unrelated to any Owner's interest as an Owner and Member. A Member who uses the Roster in a manner prohibited under this Section shall, in addition to all other rights, powers and remedies available to the Association under the Act, the Declaration, these Bylaws or the Rules, indemnify and defend the Association against and hold the Association harmless from any and all claims arising from or relating to the Member's use or misuse of the Roster.
 - (v) The notice of any Meeting at which a Director is to be elected shall include the name, address and brief biographical sketch of each nominee at the time the notice is sent to Members.
 - (vi) Written notice delivered as part of a newsletter, magazine, e-mail broadcast, or other publication regularly sent to the Members is sufficient for the purposes of this Section.
- (c) **Special Meetings.**
- (i) Special Meetings of the Members, for any purpose or purposes whatsoever, may be called at any time by the President, a majority of the Board of Directors or at the request of Members representing 20 percent or more of the total votes of the Members of the Association.
 - (ii) Except in special cases where other express provision is made by law, these Bylaws or the Declaration, notice of a special Meeting shall be given in the same manner as for annual Meetings and may be given by any Person entitled to call the Meeting. The notice for a special Meeting shall specify, in addition to the place, date and hour of such Meeting, the general nature of the business to be transacted, and no other business may be transacted at the special Meeting.

- (iii) If a special Meeting is requested by Members, the request shall be submitted in writing, specifying the general nature of the business proposed to be transacted, and shall be delivered personally or sent by registered mail or by facsimile transmission (with confirmation of receipt) to the President, the Vice President or the Secretary of the Association. The officer receiving the request shall cause notice to be promptly given to the Members entitled to vote, stating a Meeting will be held and the date of such Meeting, which date shall be not less than 30 nor more than 60 days following the receipt of the request. If the notice is not given within 30 days after receipt of the request, the Members requesting the Meeting may give the notice.

(d) **Notice of Certain Agenda Items.** If action is proposed to be taken at any Meeting for approval of any of the following proposals, the notice shall state the general nature of the proposal. Member action on such items is invalid unless the notice and every written waiver of notice state the general nature of the following proposal(s):

- (i) Removing a Director without cause;
- (ii) Filling vacancies on the Board of Directors by the Members;
- (iii) Electing to dissolve the Association;
- (iv) Approving a contract or transaction in which a Director has a material financial interest; and
- (v) Any matter or matters that must be approved by the Members under the Act.

(e) **Adjourned Meetings and Notices Thereof.**

- (i) Any Meeting of the Association, whether or not a quorum is present, may be adjourned from time to time by the affirmative vote of the Members present (in person or by proxy) and entitled to vote at such Meeting, but in the absence of a quorum, no other business may be transacted at any such Meeting unless these Bylaws or the Declaration otherwise provides.
- (ii) If a Meeting is adjourned, notice of the reconvening of the adjourned Meeting shall not be required as long the new date, time and place is announced at the Meeting so adjourned. If, however, the original Meeting is adjourned to a date more than 70 days after the date of adjournment, the Board of Directors shall fix a new date for determining the right to notice and/or the right to vote at the adjourned Meeting pursuant to Section 4.03. Subject to the foregoing, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at any adjourned Meeting, other than by an announcement at the Meeting at which such adjournment is taken.

(f) **Quorum.**

Except as otherwise provided in the Bylaws, the presence in person or by proxy of Members to whose Apartments at least 30 percent or more of the votes in the Association are allocated shall constitute a quorum at all Meetings of the Association. Subject to the provisions of this Section and unless otherwise expressly authorized by these Bylaws or the Declaration, all action required or permitted to be taken by the Members may be taken at a duly called and properly noticed annual or special Meeting at which a quorum is present. The Members present at a duly called or held Meeting at which a quorum is present may continue to do business until adjournment, and the withdrawal of enough Members so that less than a quorum is present shall not invalidate any action taken if the action taken is approved by at least a majority of the Members required to constitute a quorum. If any Meeting cannot be held because a quorum is not present, no business shall be conducted and the presiding officer shall adjourn the Meeting without delay.

(g) **Waiver by Attendance.**

Attendance by a Member at a Meeting shall constitute a waiver of notice of the Meeting, unless the Member objects at the beginning of the Meeting to the transaction of any business due to the inadequacy or illegality of the notice. Attendance at a Meeting is not a waiver of any right to object to the consideration of matters not included in the notice of the Meeting, if that objection is expressly made at the Meeting.

(h) **Conduct of Meetings; Order of Business.**

- (i) The President shall preside over all Meetings. The Secretary shall keep the minutes of all Meetings and record in a minute book all resolutions adopted and all transactions occurring thereat or in lieu thereof.

Use of Robert's Rules of Order to govern the conduct of Meetings is optional and the Board of Directors shall decide whether they will be used on a case by case basis.

- (ii) Unless modified by the Board of Directors or the Members, the order of business at annual Meeting of the Association and, as far as practicable at all other Members' Meetings, shall be:
- (A) Call to order;
 - (B) If the President is unavailable, election of a presiding officer for the Meeting;
 - (C) Proof of notice of Meeting or waiver of notice;
 - (D) Calling of the roll and certification of proxies;

- (E) Comment period for Members for matters regarding the Condominium or the Association;
- (F) Reading and disposal of any unapproved minutes;
- (G) Report of officers, including the report of the President on the activities of the Association and of the Treasurer on the financial condition of the Association;
- (H) Reports of committees;
- (I) Election and appointment of Directors, as appropriate;
- (J) Unfinished business;
- (K) New business;
- (L) Adjournment.

Section 4.03. Action Without Meeting by Written Ballot.

(a) Any action which under the provisions of the Act may be taken at a Meeting of the Members may be taken without a Meeting and without prior notice if the Board of Directors so determines and if:

- (i) a written ballot is distributed to every Member entitled to vote that provides an opportunity to specify approval or disapproval of each order of business proposed to be acted upon and a reasonable amount of time for the Member to return the ballot to the Association;
- (ii) the number of signed approvals required under these Bylaws for approval, is received in writing;
- (iii) the number of ballots cast within the specified time period equals or exceeds the quorum required to be present at a Meeting authorizing the action; and
- (iv) the number of approvals equals or exceeds the number of votes that would be required to approve the action at a Meeting at which the total votes cast was the same as the number of ballots cast.

A solicitation pursuant to this subsection shall indicate the number of responses needed to meet the quorum requirement and, with respect to ballots other than for the election of Directors, shall state the percentage of approvals necessary to pass the measure submitted. The solicitation must specify the time by which the ballot must be received in order to be counted and that a ballot received within

the specified time will be cast in accordance with the choice(s) specified by the Member casting the ballot.

(b) Subject to the applicable provisions of the Act, a Member casting a ballot, or the proxy holder of a Member or a personal representative of the Member or their respective proxy holders, may revoke the ballot or substitute another by a writing received by the Association prior to the time specified in the solicitation pursuant to subsection (a), but may not do so thereafter. A revocation is effective upon receipt by the Secretary of the Association.

Section 4.04. Record Date.

(a) The Board of Directors may fix a date in the future as a record date for the determination of the Members entitled to notice of and to vote at any Meeting of Members. The record date so fixed shall not be more than 60 nor less than 10 days prior to a Meeting. When a record date is so fixed, only Members of record on that date shall be entitled to notice of and to vote at the Meeting, notwithstanding the transfer of an Apartment after the record date.

(b) If no record date is fixed in accordance with the provisions of subsection (a), the record date for determining those Members entitled to receive notice of, or to vote at, a Meeting of Members shall be the business day immediately preceding the day on which notice is given or, if notice is waived, the business day immediately preceding the day on which the Meeting is held. The record date for determining those Members entitled to vote by ballot on action without a Meeting, when no prior action by the Board of Directors has been taken, shall be the day on which the first written consent regarding the matter is received from a Member. When prior action of the Board of Directors has been taken, the record date shall be the day on which the Board of Directors adopts the resolution relating to that action. For purposes of this Section, a person holding membership as of the close of business on the record date shall be deemed the Member of record.

Section 4.05. Proxies.

(a) Every Member entitled to vote at a Meeting or execute consents shall have the right to do so either in person or by an agent or agents authorized by a written directed or undirected proxy dated and executed by the Member as his or her duly authorized agent and filed with the Secretary of the Association prior to the commencement of the Meeting or the taking of the action at which the proxy is to be exercised. A form of proxy may be distributed to each Member by the Association to afford the Member the opportunity to vote in absentia at a Meeting if it meets the requirements for a written ballot set forth in Section 4.03.

(b) A validly executed proxy shall continue in full force and effect,

(i) unless revoked by the Member executing it,

(A) before the vote cast pursuant to that proxy,

(B) by a writing delivered to the Association stating that the proxy is

revoked,

(C) by delivery to the Association of a subsequent proxy executed by such Member, or

(D) by personal attendance and voting at a Meeting by such Member; or

(ii) if written notice of the death or incapacity of the maker of the proxy is received by the Association before the vote pursuant to that proxy is counted. No proxy shall be valid after the expiration of the earlier of 11 months from the date of the proxy or such shorter term specified in the proxy.

A proxy shall be valid only for the Meeting at which it is cast and any recessed or adjourned session of that Meeting.

(c) In any election of Directors, any proxy or written ballot that is marked by a Member “withhold” or otherwise marked in a manner indicating that the authority to vote for the election of Directors is withheld, shall not be voted either for or against the election of a Director. Failure to comply with this Section shall not invalidate any action taken, but may be the basis for challenging the proxy at a Meeting.

Section 4.06. Inspectors of Election.

(a) In advance of any Meeting, the Board of Directors may appoint inspectors of election to act at such Meeting and any adjournment thereof. If inspectors of election are not so appointed or if any individual so appointed fails to appear or refuses to act, the presiding officer at the Meeting may, and on the request of any Member or Member’s proxy shall, make such appointment at the Meeting. The number of inspectors shall be either one or three. If appointed at a Meeting on the request of one or more Members or proxies, the majority of Members represented in person or by proxy shall determine whether one or three inspectors are to be appointed.

(b) The duties of the inspectors shall include: determining the number of Memberships outstanding and the voting power of each; determining the Membership represented at the Meeting; determining the existence of a quorum; determining the authenticity, validity and effect of proxies; receiving votes, ballots or consents; hearing and determining all challenges and questions in any way arising in connection with the right to vote; counting and tabulating all votes or consents; determining when the polls shall close; determining the result; and doing such acts as may be proper to conduct the election or vote with fairness to all Members. If there are three inspectors of election, the decision, act or certificate of a majority is effective in all respects as the decision, act or certificate of all.

ARTICLE V

Board of Directors

Section 5.01. Number and Qualification.

(a) The affairs of the Association shall be governed by a Board of Directors composed of three individuals, each of whom shall be Member or the spouse or civil union partner of a Member. If an Apartment is owned by a Person that is not an individual, an officer or agent of a corporation, the general partner of a partnership, a member of a limited liability company or the beneficiary of a trust shall be a Member for the purpose of qualifying as a Director.

(b) The Board of Directors shall have all of the powers provided by the Act.

Section 5.02. Nominating Committee; Nomination by Members.

(a) The President may appoint a committee of Members to nominate qualified candidates for election as Directors. Nominations by the committee shall be concluded before the giving of the notice of the Meeting or action without a Meeting at which the election shall be held.

(b) Members representing votes equal to 20 percent or more of the votes of all Members entitled to participate in the election of Directors may nominate candidates for the position of Director at any time before the 10th day preceding the first day of the month in which such election shall be held. On timely receipt of a petition signed by the required number of Members, the Secretary shall cause the names of the candidates named on it to be placed on the ballot along with those candidates, if any, named by the nominating committee.

(c) At the Meeting to elect Directors, the Secretary of the Meeting shall call for nominations of Directors, if any, from the floor; any person so nominated to stand for election shall have his or her name added to the written ballots to be used in the conduct of the election.

Section 5.03. Election and Term of Office.

The term of office of a Director shall be fixed at two years. At the expiration of the term of office of a Director, a successor shall be elected to serve for a term of two years. A Director shall hold office until his or her successor shall have been elected by the Association.

Section 5.04. Removal or Resignation of Directors.

At any regular or special Meeting of the Association duly called, any one or more of the Directors may be removed with or without cause by a Majority of the Owners and a successor may then and there be elected to fill the vacancy thus created and to serve out the remainder of the term. Any Director whose removal has been proposed by an owner 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 upon disposition of his or her Apartment or after failing to attend three successive Meetings of the Board of Directors. A resignation shall be ratified by the Board of Directors.

Section 5.05. Vacancies.

Vacancies on the Board of Directors caused by any reason (other than the removal of a Director by a vote of the Association) shall be filled by a vote of a majority of the remaining Directors at a regular, or if necessary special, Meeting of the Board of Directors held for such purpose, promptly after the occurrence of any such vacancy, even though the Directors present at such Meeting may constitute less than a quorum. Each individual so elected shall be a Director for the remainder of the term of the individual being replaced and until a successor shall be elected.

Section 5.06. Meetings of the Board of Directors.

(a) Regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time by a majority of the Directors. Notice of regular meetings of the Board of Directors shall be given to each Director and Member, by hand-delivery, United States mail, electronic mail (if agreed to by the Director or Member) or facsimile transmission, at least 10 days prior to the day named for such meeting. The notice shall state the time, date and place of the Meeting and include an agenda.

(b) Special meetings of the Board of Directors may be called by the President on notice to each Director and Member, at least 10 days prior to the day named for the meeting. The notice shall state the time, place and purpose of the meeting and, unless the meeting is scheduled to deal with an emergency, the agenda for the meeting.

(c) Directors may participate in any meeting of the Board of Directors 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. Participation in a meeting in such a manner shall constitute presence in person at the meeting.

(d) The Board of Directors may hold executive sessions (from which others are excluded) in meetings by affirmative vote of two-thirds of the Directors present at the 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:

- (i) consult with the Association's lawyers concerning legal matters;
- (ii) discuss existing or potential litigation or mediation, arbitration or administrative proceedings;
- (iii) discuss labor or personnel matters;
- (iv) 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
- (v) prevent public knowledge of the matter to be discussed if the Board of

Directors determines that public knowledge would violate the privacy of any Person.

(e) Subject to the provisions of subsection (d), each meeting of the Board of Directors shall be open to Members in good standing, but Members may not participate unless permission is requested by a Director and approved by the Board of Directors. However, the Board of Directors shall provide a comment period at each meeting for Members to comment regarding any matter affecting the Condominium and the Association; the President may limit the number of individuals who are allowed to speak and set a limit on the amount of time and frequency an individual may speak. A Person desiring to address the Board of Directors shall give notice at least 48 hours prior to the meeting. The President may waive this requirement for good cause shown.

Section 5.07. Waiver of Notice.

Any Director may at any time, in writing, waive notice of any meeting of the Board of Directors, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meeting of the Board of Directors shall constitute a waiver of notice by him or her of the time, place and purpose of that meeting.

Section 5.08. Quorum.

At all Meetings of the Board of Directors a majority of the Directors shall constitute a quorum for the transaction of business, and the votes of a majority of the Directors present at a meeting at which a quorum is present shall constitute the decision of the Board of Directors.

Section 5.09. Compensation.

No Director shall receive any compensation from the Association for acting as such.

Section 5.10. Action Without Meeting.

Subject to the provisions of the Act, action by the Board of Directors required or permitted to be taken at any meeting may be taken without a meeting if all of the Directors shall individually or collectively consent to such action in writing or by electronic transmission. Any such consent shall be filed with the minutes of the proceedings of the Board of Directors not later than the next meeting of the Board of Directors.

Section 5.11. Minutes of Meetings.

A copy of the written minutes of any meeting of the Board of Directors shall be made available to all Members upon reasonable request within 60 days after the adjournment of the meeting.

Section 5.12. Discretion of Board of Directors.

The Board of Directors 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 Act, the Declaration, these Bylaws and the Rules, including whether to compromise any claim for unpaid assessments or other claims made by or against it. No action to foreclose the Association's statutory lien shall be commenced unless the Board of Directors votes to commence the action against a specified Apartment. The Board of Directors 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.

A decision by the Board of Directors not to pursue enforcement under one set of circumstances shall not prevent the Board of Directors from taking enforcement under a different set of circumstances, but the Board of Directors shall not be arbitrary or capricious in taking enforcement action.

Section 5.13. Adoption, Amendment or Repeal of Rules.

Every Rule adopted by the Board of Directors shall be reasonable. Prior to adopting, amending or repealing any Rule, the Board of Directors shall give to all Members notice of:

- (a) its intention to adopt, amend or repeal a Rule and provide the text of the Rule or proposed change; and
- (b) the date on which the Board of Directors will act on the proposed Rule or amendment after considering comments from Members.

Following adoption, amendment or repeal of a Rule, the Association shall give notice to the Members and provide a copy of any new or revised Rule.

Section 5.14. Budgets; Special Assessments.

- (a) The Board of Directors, at least annually, shall adopt a proposed budget for the Condominium for consideration by the Members.

Not later than 30 days after adoption of a proposed budget, the Board of Directors shall provide to all Members a summary of the Association's budget, including any reserves, and a statement of the basis on which any reserves are calculated and funded.

Simultaneously, the Board of Directors shall set a date not less than 10 days or more than 60 days after providing the summary for a Meeting to consider ratification of the Association's budget. Unless at that Meeting a majority of all Members reject the Association budget the budget is ratified, whether or not a quorum is present. If a proposed budget is rejected, the budget last ratified by the Members continues until Members ratify a subsequent budget.

(b) The Board of Directors, at any time, may propose a special assessment for the Association but only if the Board of Directors follows the procedures for ratification of a budget described in subsection (a) and the Members do not reject the proposed assessment. However, if the Board of Directors determines by a two-thirds vote that a special assessment is necessary to respond to an emergency:

- (i) the special assessment becomes effective immediately in accordance with the terms of the vote;
- (ii) notice of the emergency assessment must be provided promptly to all Members; and
- (iii) the Board of directors may spend the funds paid on account of the emergency assessment only for the purposes described in the vote.

ARTICLE VI

Officers

Section 6.01. Designation.

The principal officers of the Association shall be the President, the Vice President, the Secretary and the Treasurer, each of whom shall be elected by the Board of Directors. The Board of Directors may appoint an assistant treasurer, an assistant secretary and such other officers as in its judgment may be necessary.

Section 6.02. Election of Officers.

The officers of the Association shall be elected annually by the Board of Directors at the organizational meeting of each new Board of Directors and shall hold office at the pleasure of the Board of Directors.

Section 6.03. Removal or Resignation of Officers.

(a) Upon the affirmative vote of a majority of all Directors, any officer may be removed, either with or without cause.

(b) An officer may resign at any time by giving written notice to the Board of Directors. Any resignation shall take effect at the date of the receipt of the notice or at any later time specified

in the notice. Unless otherwise specified in the notice, the acceptance of the resignation shall not be necessary to make it effective. Any resignation is without prejudice to the rights, if any, of the Association under any contract to which the officer is a party.

(c) Upon removal, resignation or death of an officer, a successor may be elected at any regular meeting of the Board of Directors or at any special meeting of the Board of Directors called for such purpose.

Section 6.04. Officers.

(a) **President.**

The President shall be the chief executive officer of the Association; preside at all meetings of the Board of Directors; and have all of the general powers and duties which are incident to the office of president generally including, without limitation, the power to appoint committees from among the Members from time to time as the President may in his or her discretion decide is appropriate to assist in the conduct of the affairs of the Association. The President shall prepare (or cause to be prepared) and shall execute, certify and cause to be recorded amendments to the Declaration and By-laws on behalf of the Association.

(b) **Vice President.**

The Vice President shall take the place of the President and perform the duties of the President whenever the President shall be absent or unable to act. If neither the President nor the Vice President is able to act, the Board of Directors shall appoint some other Director to act in the place of the President, on an interim basis. The Vice President shall also perform such other duties as shall from time to time be imposed upon him or her by the Board of Directors or by the President.

(c) **Secretary.**

The Secretary shall keep the minutes of all meetings of the Board of Directors; have charge of such books and papers as the Board of Directors may direct; maintain a register setting forth the place to which all notices to Members and others shall be delivered; and, in general, perform all the duties incident to the office of the secretary.

(d) **Treasurer.**

The Treasurer shall have the responsibility for Association funds and securities and shall be responsible for keeping (or causing to be kept) full and accurate financial records and books of account showing all receipts and disbursements, and for the preparation of all required financial data. He or she shall report annually to the Association; shall make (or cause to be made) disbursements on behalf of the Association upon consent of the Board of Directors except as provided in Section 9.05; and shall be responsible for the deposit of all monies and other valuable effects in the name of the Association in such depositories as may from time to time be designated by the Board of Directors; and, in general, shall perform all the duties incidental to the office of treasurer. The

Treasurer may, from time to time, assign to the Managing Agent the responsibility for signing checks pursuant to a resolution of the Board of Directors.

Section 6.05. Compensation of Officers.

No officer who is also a Director shall receive any compensation from the Association for acting as such officer.

Section 6.06. Resale Certificates; Statements of Unpaid Assessments.

The Treasurer or an authorized employee of the Association or, in their absence, any officer having access to the books and records of the Association may (a) prepare, certify, and execute resale certificates in accordance with Section 4-109(b) of the Act and (b) prepare and execute statements of unpaid assessments pursuant to Section 3-116(I) of the Act. The Association may charge a reasonable fee for preparing such certificates and statements. The amount of the fee and the time of payment shall be established by resolution of the Board of Directors. The Association may refuse to furnish a certificate or statement until the fee is paid.

Section 6.07. Bonds.

The Association may acquire, and require that a Person provide such bonds, indemnities, insurance or other assurances for the faithful performance of the duties of any officer, Managing Agent or other Person in such a manner, as may be fixed and required by the Board of Directors.

ARTICLE VII
Liability, Indemnification

Section 7.01. Liability of the Board of Directors, Officers, Members and Association.

The Directors and officers of the Association shall not be liable to the Association, any Member or an occupant for any mistake of judgment, negligence or otherwise, except for their own individual willful misconduct or bad faith. The Association shall indemnify and hold harmless each of the officers and Directors from and against all contractual liability to others arising out of contracts made by the officers or the Board of Directors on behalf of the Association unless any such contract shall have been made in bad faith or contrary to the provisions of the Act, the Declaration, or these Bylaws.

Section 7.02. Exculpation.

The Association shall not be liable for any failure of water supply or other services to be obtained by the Association or paid for as a Common Expense, or for injury or damage to person or property caused by the elements or by any Member or any other Person, or resulting from electricity, water, snow or ice which may leak or flow from any portion of the Property or from any pipe, drain, conduit, appliance or equipment. The Association shall not be liable to any Member for loss or

damage, by theft or otherwise, of articles which may be stored upon any of the Common Elements. No diminution or abatement of any assessments, as herein elsewhere provided, shall be claimed or allowed for inconvenience or discomfort arising from the making of repairs or improvements to the Common Elements or from any action taken by the Association to comply with any law, ordinance or with the order of directive of any municipal or other governmental authority.

ARTICLE VIII **Books and Records**

Section 8.01. Books and Records.

(a) **Records to be Maintained and Retained.** The Association shall maintain and retain the following:

- (i) detailed Records of receipts and expenditures affecting the operation and administration of the Association, and other appropriate accounting Records;
- (ii) minutes of all Meetings of the Association and the Board of Directors (other than executive sessions) and Records of all actions taken by the Members or the Board of Directors without a meeting;
- (iii) a current Roster;
- (iv) the Association's original or restated Articles of Incorporation and all amendments thereto;
- (v) the current Rules;
- (vi) all financial statements and tax returns of the Association for the past three years;
- (vii) a list of the names and addresses of current Directors and officers;
- (viii) the Association's most recent periodic report to the Secretary of State;
- (ix) financial and other Records sufficiently detailed to enable the Association to comply with Section 4-109 of the Act;
- (x) copies of current contracts to which the Association is a party;
- (xi) Records of Board of Directors actions to approve or deny any requests for design or architectural approval from Members; and
- (xii) ballots, proxies and other records related to voting by Members for one year after the election, action or vote to which they relate.

Each Record shall be kept in written or typed form or in any other form capable of being converted into written, typed or printed form.

(b) **Inspection by Members.** Upon not less than five days' notice, all Records retained by the Association (except as set forth in subsection (c)) shall be made available for inspection and copying by any Member or by his or her duly appointed representative, during reasonable business hours or at a mutually convenient time at the office of the Association or mutually convenient location, for a purpose reasonably related to his or her interest as a Member.

Information provided pursuant to this Section shall not be used for commercial purposes.

(c) **Records That May Be Withheld.** Records retained by the Association may be withheld from inspection and copying to the extent they concern:

- (i) personnel, salary and medical records relating to specific individuals;
- (ii) contracts, leases and other commercial transactions to purchase goods or services currently being negotiated;
- (iii) existing or potential litigation, mediation, arbitration or administrative proceedings;
- (iv) existing or potential matters involving, federal, State or local administrative or other formal proceedings before a court or other forum for enforcement of the Governing Documents;
- (v) communications with the Association's lawyers which are otherwise protected by the attorney-client privilege or the attorney work-product doctrine;
- (vi) information the disclosure of which would violate law;
- (vii) Records of any executive session of the Board of Directors; and
- (viii) individual apartment files other than those of the requesting Member.

(d) **Fees for Copying.** If the Member requests a copy of any Record, the Board of Directors may charge for the cost of preparing the copy.

(e) **No Duty to Compile.** The Association shall have no duty to compile or synthesize information in its Records for a Member.

(f) **Inspection by Directors.** Every Director shall have the absolute right at any reasonable time to inspect all books, Records and documents of the Association and the physical

properties owned or controlled by the Association. The right of inspection by a Director includes the right to make extracts and copy relevant documents at the expense of the Director unless he or she is acting on behalf of the Association, in which case the Association shall incur such expense.

ARTICLE IX **Miscellaneous**

Section 9.01. Amendment.

These Bylaws may be amended by super majority vote of Members of 67 percent.

Section 9.02. Notices.

All notices, demands, bills, statements or other communications shall be in writing and shall be deemed to have been duly given if (w) delivered personally (x) sent postage prepaid or commercially reasonable delivery service to the registered mailing address, (y) sent by electronic means or (z) any other means reasonably calculated to provide notice, as follows:

(a) if to a Member, at the address which the Member shall designate in writing and file with the Secretary of the Association or, if no such address is designated, at the address of the Member's Apartment. A Member may provide an electronic mail address to be used by the Association for delivery of statements, notices, demands, and all other communications, and such address shall be the only address to be used by the Association.

The Member shall furnish to the Association the address to which notices, demands, bills, statements and other communication shall be sent within 10 days after transfer of title or after a change of address.

In the absence of such notice of address, the Association may use and rely upon the address listed in its records for the Member.

(b) if to the Association or the Board of Directors at the principal office of the Association or at such other address as shall be designated in writing to the Members pursuant to this Section.

Section 9.03. Captions.

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

Section 9.04. Gender.

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

Section 9.05. Checks; Drafts; Contracts and Instruments.

(a) All checks, drafts or other orders for payment of money, notes or other evidences of indebtedness, issued in the name of or payable to the Association, shall be signed or endorsed by such person or persons and in such manner as, from time to time, shall be determined by resolution of the Board of Directors.

(b) The Board of Directors, except as otherwise provided in these Bylaws, may authorize any officer, agent or employee to enter into any contract or execute any instrument in the name and on behalf of the Association, and such authority may be general or confined to specific instances. Unless so authorized by the Board of Directors, no officer, agent or employee shall have any power or authority to bind the Association by contract or engagement or to pledge its credit or to render it liable for any purpose or to any amount.

Section 9.06. Fiscal Year.

The Fiscal Year of the Association shall be the period established by the Board of Directors from time to time as the fiscal year for the Association.

END