

HAYSTACK CROSSING HOMEOWNERS ASSOCIATION, LLC.

BYLAWS

ARTICLE 1

Generally

Section 1.1. **Applicability.** These Bylaws provide for the governance of the Haystack Crossing Homeowners Association, LLC. (the "Association").

Section 1.2. **Office.** The office of the Association is 68 Randall Street, South Burlington , Vermont or at such other place as may be designated from time to time by the Board of Directors.

Section 1.3. **Definitions.** Each capitalized term used herein without definition shall have the meaning set forth in the Haystack Homes, LLC Development, Declaration of Covenants, Easements, Restrictions and Liens, as amended from time to time, and of record in the Town of Hinesburg Land Records (the "Declaration").

ARTICLE 2

Membership, Meetings

Section 2.1. **Membership.** Each Lot Owner shall be a Member of the Association (a "Member").

Section 2.2. **Annual Meetings.** Unless otherwise agreed by vote of the Members, the annual meeting of the Association shall be held on the Second Tuesday of February of each year, unless such date shall occur on a holiday, in which event the meeting shall be held on the following day. At such annual meetings the Board of Directors shall be elected by the Lot Owners in accordance with Section 2.7 and 3.1, below.

Section 2.3. **Place of Meetings.** Meetings of the Association shall be held at the principal office of the Association or at such other suitable place convenient to the Lot Owners as may be designated by the Board of Directors.

Section 2.4. **Special Meetings.** The President shall call a special meeting of the Members upon a petition signed and presented to the Secretary by Lot Owners owning not less than twenty percent (20%) of the Lots. The notice of any special meeting shall state the time, place and purpose thereof. No business shall be transacted at a special meeting except as stated in the notice.

Section 2.5. **Notice of Meetings.** The Secretary shall mail to each Lot Owner a notice of the place, date, hour and purpose or purposes of each annual or regularly scheduled meeting of the Lot Owners. The notice shall be mailed not less than ten (10) days nor more than fifty (50) days before the date of such meeting.

Section 2.6. **Adjournment of Meetings.** If at any meeting of the Association a quorum is not present, Lot Owners having a majority of the votes who are present at such meeting in person or by proxy may adjourn the meeting to a time not less than 48 hours after the time the original meeting was called.

Section 2.7. **Voting.** Members shall be entitled to vote on Association matters as provided in the Declaration in accordance with each Lot's Allocated Interest.

Section 2.8. **Quorum.** Except as otherwise provided herein, a quorum shall be determined by the Act and, in accordance with 27A V.S.A. § 3-109(a), a quorum for meetings of the Members shall exist if persons entitled to twenty percent (20%) of the votes that may be cast are present in person or by proxy at the beginning of the meeting.

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

Section 2.10. **Agreements Regarding Voting.** To the extent not prohibited by applicable law, the Members may enter into voting agreements providing that Members will cast their votes on specified matters as provided in the voting agreement and such agreements shall be binding to the fullest extent permitted by law.

ARTICLE 3

Board of Directors

Section 3.1. **Board of Directors.** During the period of declarant control, as described in the Declaration, the initial Board of Directors shall be three (3) in number. The initial Board of Directors shall be appointed by the Declarant and shall hold office until such time as all the memberships obtain the right to vote as provided in the Declaration. Except as to the initial Board of Directors appointed by the Declarant, all Directors shall be Lot Owners. After the sale of the thirty ninth (39th) Lot in the Northridge-Hinesburg, LLC, the Lot Owners shall become voting members and shall elect their own Board of Directors.

Section 3.2. **Powers and Duties.** The Board of Directors shall have all of the powers and duties necessary for the administration of the affairs of the Association. The Board may do all such acts and things as are not prohibited by these Bylaws or the Declaration, including, but not limited to, the following:

- (a) Prepare an annual budget, including the amount of Assessments and present the budget to the annual meeting of the Members.
- (b) Establish the means and methods of collecting the Assessments pursuant to the Declaration.
- (c) Provide for the operation, care, upkeep, improvement, and maintenance of all of the Common Elements and Limited Common Elements.
- (d) Designate, hire and dismiss the personnel necessary for the maintenance, operation, repair and replacement of the Common Elements and Limited Common Elements and provide services for the Property and, where appropriate, provide for the compensation of such personnel and for the purchase of equipment, supplies and material to be used by such personnel in the performance of their duties, which supplies and equipment shall be deemed part of the Property.

- (e) Collect the Assessments, deposit the proceeds thereof in bank depositories designated by the Board of Directors and use the proceeds to carry out the administration of the Association.
- (f) Draft rules and regulations for presentation to the Members of the Association for consideration (the “Rules and Regulations”).
- (g) Open bank accounts on behalf of the Association and designate the signatories thereon.
- (h) Make, or contract for the making of, repairs, additions and improvements to or alterations of the Common Elements and Limited Common Elements as provided in the budget approved or as otherwise approved by the Association; make, or contract for the making of repairs to and restoration of the Common Elements and Limited Common Elements as provided in the budget approved or as otherwise approved by the Association, in accordance with these Bylaws, after damage or destruction by fire or other casualty or as a result of condemnation or eminent domain proceedings or otherwise; and make, or contract for the making of repairs to and restoration of the Common Elements and Limited Common Elements or other expenditures for the Association not otherwise provided in the budget, provided that such expenditures do not exceed \$5,000.00 per annum.
- (i) Enforce by legal means the provisions of the Declaration, these Bylaws and the Rules and Regulations and act on behalf of the Members with respect to all matters involving settlement of insurance claims, condemnation proceedings and the creation of rights, easements and interests affecting the Common Elements and Limited Common Elements.
- (j) Obtain and carry insurance against casualties and liabilities, as provided in these Bylaws, pay the premiums therefor and adjust and settle any claims thereunder.
- (k) Pay the cost of all authorized services rendered to the Association and not billed to Members or otherwise provided for in Article 6 of these Bylaws.
- (l) Keep books with detailed accounts in chronological order of its receipts and expenditures and the administration of the Association specifying the expenses of maintenance and repair of the Common Elements and Limited Common Elements and any other expenses incurred. Such books and vouchers accrediting the entries thereupon shall be available for examination by the Lot Owners, their duly authorized agents or attorneys, during general business hours on working days at the times and in the manner set and announced by the Board of Directors for the general knowledge of the Lot Owners. All books and records shall be kept in accordance with good accounting practices.
- (m) Borrow money on behalf of the Association as specified in the Declaration.
- (n) Acquire, hold and dispose of property interests, easements and restrictions affecting the Common Elements and Limited Common Elements and mortgage the same if such expenditures and hypothecations are included in the budget adopted by the Association.
- (o) Do such other things and acts not inconsistent with the Declaration or these Bylaws which the Board of Directors may be authorized to do by a resolution of the Association.

Section 3.3. **Managing Agent.** The Board of Directors may employ for the Association a managing agent (the "**Managing Agent**"). The compensation of such Managing Agent shall be established by the Board of Directors.

Section 3.4. **Election and Term of Office.** The initial Board of Directors shall be designated in the Articles of Incorporation for the Association. All Directors shall thenceforth serve until the next annual meeting of Members or until their respective successors are appointed and qualified.

Section 3.5. **Removal or Resignation of Members of the Board of Directors.** At any regular or special meeting of the Members duly called, any one or more of the members of the Board of Directors may be removed with or without cause by seventy five percent (75%) of the Lot Owners entitled to vote on the matter. Upon the removal of a Member of the Board of Directors, his or her replacement shall be appointed by the Members or, absent such appointment, by remaining Directors to fill the unexpired term. A Member of the Board of Directors may resign at any time and, except for the initial Directors which are appointed by the Declarant, a Director shall be deemed to have resigned without further action upon disposition of the Lot owned by such Director.

Section 3.6. **Organization Meeting.** The first meeting of the Board of Directors following creation of the Association shall be held within thirty (30) days thereafter at such time and place as shall be fixed by the Members and no notice shall be necessary to such Members of the Board of Directors in order legally to constitute such meeting, providing a majority of the whole Board of Directors shall be present at such meeting.

Section 3.7. **Regular Meetings.** Regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time by a majority of the Directors, but such meetings shall be held at least once during each fiscal year. Notice of regular meetings of the Board of Directors shall be given to each Director, by mail or by personal delivery to the Lot at least ten (10) business days prior to the day named for such meeting.

Section 3.8. **Special Meetings.** Special meetings of the Board of Directors may be called by the President on three (3) business days notice to each Director, given by mail, facsimile or personal delivery to the Lot represented by such Director, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President or Secretary in like manner and on not less than three (3) business days prior to such meeting on the written request of at least two Directors.

Section 3.9. **Waiver of Notice.** Any Director may at any time, in writing, waive notice of any meeting of the Board of Directors, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meeting of the Board of Directors shall constitute a waiver of notice by such Director of the time, place and purpose of such meeting. If all Directors are present at any meeting of the Board of Directors, no notice shall be required and any business may be transacted at such meeting.

Section 3.10. **Quorum.** In accordance with 27A V.S.A. § 3-109(b), a quorum for meetings of the Board of Directors exists if persons entitled to fifty percent (50%) of the votes on the Board of Directors are present at the beginning of the meeting.

Section 3.11. **Compensation.** No Director shall receive any compensation from the Association for acting as a Director, unless the Members amend this provision of the Bylaws to provide for compensation to the Directors.

Section 3.12. **Action Without Meeting.** Any action by the Board of Directors required or permitted to be taken at any meeting may be taken without a meeting if all of the Members of the Board of Directors shall individually or collectively consent in writing to such action. Any such written consent shall be filed with the minutes of the proceedings of the Board of Directors.

Section 3.13. **Liability of the Board of Directors, Officers, Members and Association.**

- (a) The Officers and Members of the Board of Directors shall not be liable to the Association for any mistake of judgment, negligence or otherwise, except for their own individual willful misconduct or bad faith. The Association shall indemnify and hold harmless each of the Officers and Directors from and against all expenses and liabilities to others arising out of claims made against the Officers or the Board of Directors on account of their status as Officers or Directors to the maximum extent permissible under Vermont law.
- (b) The Association shall not be liable for the failure of any services to be obtained by the Association or paid for as an Assessment, 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 Common Elements or Limited Common Elements 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 Property. 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 Property or from any action or with the order or directive of any municipal or other governmental authority.

ARTICLE 4

Officers

Section 4.1. **Designation.** The principal Officers of the Association shall be the President, the Secretary and the Treasurer, all of whom shall be elected by the Board of Directors. The Board of Directors may appoint a Vice President, an Assistant Treasurer, an Assistant Secretary and such other Officers as in its judgment may be necessary. Any combination of offices may be held by the same person, except the offices of President and Secretary which may not be held by one person. The President shall be a member of the Board of Directors.

Section 4.2. **Election of Officers.** The Officers of the Association shall be elected annually by the Board of Directors at the organization meeting of each new Board of Directors and shall hold office at the pleasure of the Board of Directors.

Section 4.3. **Removal of Officers.** Upon the affirmative vote of two-thirds (2/3) of the Board of Directors any Officer may be removed, either with or without cause, and a successor may be elected at any regular meeting of the Board of Directors or at any special meeting of the Board of Directors called for such purpose.

Section 4.4. **President.** The President shall be the chief executive officer of the Association; preside at all meetings of the Association and of the Board of Directors; and have all of the general powers and duties which are incident to the office of president generally including, without limitation, the

power to appoint committees from among the Lot Owners from time to time as the President may in his discretion decide is appropriate to assist in the conduct of the affairs of the Association.

Section 4.5. **Vice President.** The Vice President shall be entitled to fulfill the duties of the President, in the President's absence or if the President is unable to act, and such other duties as may be assigned by the Board of Directors.

Section 4.6. **Secretary.** The Secretary shall keep the minutes of all meetings of the Association and of the Board of Directors; have charge of such books and papers as the Board of Directors may direct; maintain a register setting forth the place to which all notices to Members and others shall be delivered; and, in general, perform all the duties incident to the office of secretary.

Section 4.7. **Treasurer.** The Treasurer shall have the responsibility for Association funds and securities. The Treasurer shall be responsible for keeping full and accurate financial records and books of account showing all receipts and disbursements, and for books of account showing all receipts and disbursements, and for the preparation of all required financial data, and shall report annually to the Members. The Treasurer shall make disbursements on behalf of the Association upon consent of the Board of Directors and shall be responsible for the deposit of all monies and other valuable effects in the name of the Board of Directors. The Association's funds shall be held in such depositories as may from time to time be designated by the Board of Directors. In addition, the Treasurer shall perform all the duties incident to the office of treasurer as may be assigned by the Board of Directors.

Section 4.8. **Execution of Documents.** All agreements, contracts, deeds, leases, checks and other instruments of the Association for expenditures or obligations may be executed by such person or persons as may be designated by the Board.

Section 4.9. **Compensation of Officers.** No Officer who is also a Director shall receive any compensation from the Association for acting as such Officer.

ARTICLE 5

Committees

Section 5.1. **Formation of Committees.** The Members may form and reform Committees of all or less than all of the Lot Owners and delegate to such Committees such powers, duties and obligations as the Lot Owners may from time to time delegate consistent with applicable law. Unless prohibited by applicable law, the Committees formed pursuant to this authorization may form subcommittees to be responsible for any duty or obligation delegated to a Committee. Committees shall meet at least once in each year and may meet more often as determined by the Committees. Committees shall report on their doings to the Members at the annual meeting of Members. Decisions by the Committees shall take priority over conflicting decisions by the Board of Directors as to matters delegated to the Committee. Committees may act without a meeting provided the action taken is in written form and signed by all of the Members of the Committees.

ARTICLE 6

Operation of the Association

Section 6.1. **Determination of Annual Charges and Assessments Against Members.**

- (a) **Fiscal Year.** The fiscal year of the Association shall be the calendar year unless otherwise determined by the Board of Directors.
- (b) **Assessment.** The Board of Directors may fix the Assessments at an amount determined based on the budget for each fiscal year.
- (c) **Preparation and Approval of Budget.**
 - (i) On or before the first day of November of each year, the Board of Directors shall recommend a budget to the Members. Within thirty (30) days after adoption of any proposed budget for the Planned Community, the Board of Directors of the Association shall provide a summary of the budget to all the Members. The Board of Directors shall set a date, not less than fourteen (14) nor more than thirty (30) days after the date the budget summary is sent to the Members, for a meeting of the Members to ratify the budget. The budget shall be ratified, unless a majority of the Members rejects the budget, whether or not a quorum is present. If the budget is rejected, the budget last ratified by the Members shall be in effect until the Members ratify a budget proposed by the Board of Directors. If the Board of Directors votes to levy a Common Expense assessment not included in the current budget, in an amount greater than fifteen percent (15%) of the current annual operating budget, the Board of Directors shall submit such Common Expense to the Members for notice and ratification in the same manner as a budget under this Section.
 - (ii) Such budget shall also include such reasonable amounts as the Board of Directors considers necessary to provide working capital, a general operating reserve and reserves for contingencies and replacements. On or before the next succeeding first day of December the Board of Directors shall send to each Member a copy of the budget in a reasonably itemized form. Such budget shall constitute the basis for determining each Member's Assessment pursuant to the Declaration.
- (d) **Special Assessments.** In addition to the annual Assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Elements, including fixtures and personal property related thereto.
- (e) **Assessment and Payment of Assessments.** The total amount of the estimated funds required from Assessments (including any special assessments) for the operation of the Association shall be borne among the Lots in accordance with their Allocated Interest as set forth in Section 3.3 of the Declaration.
- (f) **Reserves.** The Board of Directors shall build up and maintain reasonable reserves for working capital, operations, contingencies, and replacements. The Association may maintain a reserve fund with appropriate balances as determined by the Board of Directors. At such time that funds are spent from the account to pay for a capital improvement or emergency repairs to the Common Elements, a special assessment shall be instituted to bring the balance back to the amount specified by the Board of Directors.

- (g) **Effect of Failure to Prepare or Adopt Budget.** The failure or delay of the Board of Directors to prepare or of the Association to adopt a budget for any fiscal year shall not constitute a waiver or release in any manner of the obligation to pay the Assessments as herein provided whenever the same shall be determined and, in the absence of any annual budget or adjusted budget, each Lot Owner shall continue to pay each Assessment at the rate established for the previous fiscal year until notice of the payment which is due.

Section 6.2. **Collection of Assessments.** The Board of Directors or the Managing Agent, at the request of the Board of Directors, shall take prompt action to collect any Assessments which remain unpaid for more than thirty (30) days from the due date for payment thereof without limiting any rights or remedies the Association may have for delinquent Assessments. Any Assessment, or installment thereof, not paid within five days after the due date shall accrue a late charge calculated at the legal rate of interest on the overdue assessment or installment.

Section 6.3. **Statements to Lot Owners.**

- (a) **Statement of Assessments.** The Board of Directors shall promptly provide any Member, contract purchaser or mortgagee so requesting the same in writing with a written statement of all unpaid Assessments due as to such Lot. The Board of Directors may impose a reasonable charge for the preparation of such statement to cover the cost of preparation. Notwithstanding the foregoing, the Board of Directors shall not charge a fee or premium to any mortgagee for the furnishing of such a certificate.
- (b) **Statement of Default.** The Board of Directors will make a reasonable effort to promptly notify any mortgagee of any Lot, of any default by a Lot Owner of any obligation arising under the Declaration, these Bylaws or the Rules and Regulations which is not cured within sixty (60) days, provided the mortgagee has filed a written request for such information with the Association.

ARTICLE 7

Miscellaneous

Section 7.1. **Amendment.** Except as otherwise provided herein, these Bylaws may be amended by vote or agreement of Lot Owners representing at least sixty-seven percent (67%) of the votes in the Association; **provided, however,** that amendments to these Bylaws shall be subject to the same limitations imposed on amendments to the Declaration.

Section 7.2. **Notices.** All notices, demands, bills, statements or other communications shall be in writing and shall be deemed to have been duly given if delivered personally or if sent postage prepaid: (i) if to a Member, at the Member's last known address or at such other address as shall be designated in writing to the Association; or (ii) 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 7.3. **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 7.4. **Gender.** The use of the masculine gender in these Bylaws shall be deemed to include the feminine and neuter genders and the use of the singular shall be deemed to include the plural, and vice versa, whenever the context so requires.

The undersigned hereby certifies that as of _____, 2022, this is a true and accurate copy of the Bylaws of the Association adopted by resolution at the organization meeting of the Association held on _____, 2022.

Secretary