

OBSERVATORY ROAD OWNERS' ASSOCIATION, INC.

BYLAWS

ARTICLE 1

General

Section 1.1. Name; Act. The name of the corporation shall be the Observatory Road Owners' Association, Inc. (the "Association"). The Association is governed by the Vermont Nonprofit Corporation Act, 11B V.S.A. §§ 1.01 et seq. (the "Act"). The Association and the Development (defined below) are not subject to the Uniform Common Interest Ownership Act, 27A V.S.A. §§ 1-101 et seq., because the Development contains fewer than 12 Lots and is not subject to any development rights. See 27A V.S.A. §§ 1-201 and 1-203(a).

Section 1.2. Purpose. The purpose of the Association shall be to maintain, repair, and replace the shared roadways and stormwater infrastructure of that certain eight-lot subdivision and planned unit development described in a plat entitled "Eight-Lot Subdivision and Planned Unit Development, PR&R Development, LLC, Observatory Road, Hinesburg, Vermont, Overall Subdivision Plan," dated February 27, 2023, last revised _____, prepared by Barnard & Gervais, LLC, Project Number 21375, Drawing No. S-1 through S-5, recorded on _____ at Map Slide _____ of the Town of Hinesburg Land Records (the "Development" and the "Plat," respectively). The shared roadways and stormwater infrastructure shall be maintained as required by the Protective Covenants and Infrastructure Maintenance Agreement of PR&R Development, LLC dated _____, 2024 and recorded in Book _____, Page _____ of the Town of Hinesburg Land Records, as amended from time to time (the "Covenants"). Capitalized terms used herein without definition shall have the meaning set forth in the Covenants.

Section 1.3. Office. The principal office of the Association shall be the physical address of the Association President within the Development, or at such other place as may be designated from time to time by the Board of Directors.

ARTICLE 2

Membership, Meetings

Section 2.1. Membership. The owner of each Lot in the Development (a "Member") will be assigned one (1) appurtenant and indivisible membership in the Association which may not be assigned, hypothecated, pledged or transferred in any manner except as an indivisible appurtenance to the Lot. A membership appurtenant to a Lot shall be initiated by either: (i) the recording of a deed in the Town of Hinesburg Land Records conveying a Lot to a purchaser; or (ii) the issuance of a certificate of occupancy by the Town of Hinesburg constructed on a Lot, if required, whichever sooner occurs. Multiple or joint owners of a Lot will be treated for all purposes as jointly owning and holding the one membership appurtenant to that particular Lot.

Section 2.2. Annual Meetings. Unless otherwise agreed by vote of the Members, the annual meeting of the Association shall be held in the month of August each year, or at such other date and time as may be designated by the Board of Directors. At such annual meetings the Board of Directors shall be elected by the Lot owners as set forth herein.

Section 2.3. Special Meetings. A special meeting may be held on the call of the Board of Directors or if the holders of at least 5% of the voting power sign, date and deliver to any officer one or more written demands for the meeting describing the purpose(s) for which it is to be held. 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 2.4. 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. Meetings may be attended in person or by telephone or video conference provided all participants have the opportunity to hear discussion and to comment.

Section 2.5. Notice of Meetings. The Secretary shall send an email notice to each Lot owner at an email address provided by such Lot owner including notice of the place, date, time and purpose or purposes of each meeting of the Lot owners. The notice shall be sent not less than ten (10) days nor more than thirty (30) days before the date of such meeting. Any Member can waive notice of a meeting in writing before or after the date and time stated in the notice. A Member's attendance at a meeting waives objection to lack of notice or defective notice or to consideration of a particular matter at the meeting unless the objection is timely presented at the meeting.

Section 2.6. Conduct of Meetings. The President shall preside over all meetings of the Members and the Secretary shall keep the minutes of the meetings.

Section 2.7. Quorum; Voting. Except as otherwise provided herein, a quorum shall be determined by the Act. Members shall be entitled to vote on Association matters as provided in the Covenants in accordance with each Lot's membership appurtenant. Unless otherwise required by the Act, if a quorum is present, action on a matter by the Members is approved if the votes cast by the Members favoring the action exceeds the votes cast opposing the action.

Section 2.8. Action Without Meeting. Any action by the Members required or permitted to be taken at any meeting may be taken without a meeting if all of the Members shall individually or collectively consent in writing to such action. Written consent may be evidenced by an electronic communication or electronic record.

ARTICLE 3 **Board of Directors**

Section 3.1. Number and Qualification. The affairs of the Association shall be governed by a Board of Directors. The Board of Directors shall be three (3) in number, or such other number as may be established by action of the Members from time to time at a meeting called for such purpose. 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 Covenants. After the Members elect the replacement Board of Directors, each Director shall hold office for a term of three (3) years and until a successor shall have been elected and qualified. Except as to the initial Board of Directors appointed by the Declarant, all Directors shall

be Lot owners. The replacement Directors shall be elected to staggered terms, so that one-third of the directorships shall become vacant each year.

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 Covenants, including, but not limited to, the following:

- (a) Maintain, repair and replace the shared roadways and stormwater infrastructure in good condition and repair as provided in the Covenants. Without limiting the foregoing, the terms, “maintain” and “repair” may include, but not be limited to, repairing the roadway surface, adding stone, clearing obstructions, grading or scraping the roadway as necessary, cleaning or recutting ditches as necessary, trimming brush along the roadside, snow plowing, snow storage and ice removal, unplugging or opening culverts or drainpipes, and performing any and all other necessary work required to maintain the shared roadways and stormwater infrastructure in a condition that allows for reasonable access on the shared roadways and good operating function of the stormwater infrastructure.
- (b) Identify and retain contractors for the maintenance, repair and replacement of the shared roadways and stormwater infrastructure.
- (c) Prepare an annual maintenance plan and budget, including the expenses that will be owed by each Lot owner.
- (d) Establish the means and methods of collecting the expenses assessed against each Lot owner.
- (e) Collect from the Lot owners, 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) Open bank accounts on behalf of the Association and designate the signatories thereon.
- (g) Enforce by legal means the provisions of the Covenants, these Bylaws and any Rules adopted by the Association.
- (h) 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 and any other expenses incurred.
- (i) Do such other things and acts not inconsistent with the Covenants or these Bylaws which the Board of Directors may be authorized to do by Vermont law.

Section 3.3. 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 3.4. Removal or Resignation of Members of the Board of Directors. A Member of the Board of Directors may resign at any time by providing written notice to the Board. 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. A Director may be removed by Members with or without cause at a special meeting of the Members duly called for that purpose if the number of votes cast to remove the Director would be sufficient to elect the Director at an annual meeting. A vacancy on the Board of Directors may be filled by the remaining Directors until the next annual meeting of the Members.

Section 3.5. Meetings; Notice. Meetings of the Board of Directors may be held at such time and place as shall be determined from time to time by the Directors. Any Director may call a Directors' meeting. Meetings may be attended in person or by telephone or video conference provided all participants may simultaneously or sequentially communicate during the meeting. Notice of the date, time, and place of meetings of the Board of Directors shall be given to each Director by email to an email address provided by each Director at least two (2) business days prior to the meeting.

Section 3.6. Waiver of Notice. Any Director may waive notice of a meeting in writing before or after the date and time stated in the notice. A Director's attendance at or participation in a meeting waives any required notice of the meeting unless the Director, upon arriving at the meeting or prior to vote on a matter not noticed objects to lack of notice and does not thereafter vote on the objected to action. 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 3.7. Quorum; Voting. A quorum of the Board consists of a majority of the fixed number of three (3) Directors. If a quorum is present when a vote is taken, the affirmative vote of a majority of directors present is the act of the Board unless the Act requires a greater number.

Section 3.8. Action Without Meeting. Any action required or permitted to be taken at any Board of Directors' meeting may be taken without a meeting if all of the Directors shall individually or collectively consent in writing to such action. Written consents must describe the action taken and be signed by each Director.

Section 3.9. Compensation. No Director shall receive any compensation from the Association for acting as a Director.

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. 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. Each Officer 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 4.5. 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 4.6. 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.

Section 4.7. Secretary. The Secretary shall prepare and keep the minutes of all meetings of the Association and of the Board of Directors, be responsible for authenticating records of the Association, and, in general, perform all the duties incident to the office of secretary.

Section 4.8. Treasurer. The Treasurer shall have the responsibility for any Association funds. The Treasurer shall be responsible for keeping full and accurate financial records and books of account showing all receipts and disbursements, and for the preparation of all required financial data. 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 4.9. 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 4.10. Resignation; Removal. An Officer may resign at any time by delivering notice to the Board. The Board may remove any Officer at any time with or without cause. The Board is authorized to fill any Officer position vacancy.

Section 4.11. Compensation of Officers. No Officer shall receive any compensation from the Association for acting as such Officer.

ARTICLE 5

Liability of the Board, Officers, and Association; Indemnity

Section 5.1. Board & Officers. 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.

Section 5.2. Association. The Association shall not be liable for the failure of any services to be obtained by the Association or paid for as an 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 shared roadways or stormwater infrastructure 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 on a Lot or in the Development. No diminution or abatement of any expenses assessed to a Lot owner, as herein elsewhere provided, shall be claimed or allowed for inconvenience or discomfort arising from the making of repairs or improvements or from any action or with the order or directive of any municipal or other governmental authority.

ARTICLE 6

Operation of the Association

Section 6.1. Determination of Annual Charges and Payment of Assessments.

- (a) The fiscal year of the Association shall be the calendar year unless otherwise determined by the Board of Directors.
- (b) The Board of Directors shall determine the annual work required to maintain, repair and replace the shared roadways and stormwater infrastructure in good condition and repair as provided in the Covenants, and the annual cost of same.
- (c) The Board may establish the annual scope of work and budget by written consent without a meeting, and email it to the Lot owners at their designated email addresses after it is adopted.
- (d) The Lot owners shall share in and split the costs of maintenance and repair as set forth in the Covenants; provided, however, that in the event that a Lot owner or their guest, agent or invitee causes damages to the shared roadway or stormwater infrastructure (beyond ordinary wear and tear), including but not limited to damage caused during construction activities and the like, said Lot owner shall be required to repair such damage in a timely and professional manner, at said Lot owner's sole expense.
- (e) As and when bills for maintenance and repair work required and authorized by the Board of Directors are rendered by the persons performing the services or providing the materials, copies of such bills shall be submitted to each of the Lot owners via email, along with an assessment for each Lot owner's proportionate share of the amount due.
- (f) The owners of each Lot shall, not later than thirty (30) days following notice of the assessment, pay their share of the invoice directly to the contractor or service provider, or to the Association by delivering such payment to any Director or Officer.
- (g) If a Lot owner fails to pay their assessment within the time provided above, such assessment shall thereafter bear interest at twelve (12%) percent per annum on

such assessment and on any amounts advanced or paid by the other Lot owners on account of the delinquent Lot owner. In addition, the delinquent Lot owner shall be assessed any attorney's fees, costs or other expenses incurred by the other Lot owners in collecting the assessment from the delinquent Lot owner.

- (h) If any Lot owner performs improvements, maintenance, repairs or replacements to the shared roadway or stormwater infrastructure without the approval of the Board of Directors prior to performing such work, the Lot owner performing such work shall be liable for the entire cost thereof.

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 Covenants.

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, sent via email to an email address provided by a Member or Director, or mailed to a mailing address provided by a Member or Director.

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.

The undersigned hereby certifies that as of _____, 2024, this is a true and accurate copy of the Bylaws of the Association duly adopted by the Board of Directors.

OBSERVATORY ROAD OWNERS'
ASSOCIATION, INC.

By: _____
Secretary