# AMENDED AND RESTATED DECLARATION OF PROTECTIVE COVENANTS, CONDITIONS, RIGHTS, AND RESTRICTIONS

# OF

# SUGAR HOUSE HILL PROPERTY OWNERS ASSOCIATION, INC.

**DECLARATION** made this twenty-fourth day of May, 2008, by Sugar House Hill Property Owners Association, Inc., a Vermont Non-profit corporation (hereinafter the "Corporation").

## BACKGROUND

On or about April 26, 1965, Land Associates, Inc. a Vermont corporation, which owned certain lots in a real estate development known as SUGAR HOUSE HILL in the Town of Stowe, County of Lamoille and State of Vermont did: (i) for itself, and its successors and assigns, impose upon those lots certain covenants, agreements and restrictions (hereinafter the "Protective Covenants"); (ii) reserve for itself, and its successors and assigns, the right to modify, amend or waive any or all of the Protective Covenants; and (iii) execute the Protective Covenants and subsequently recorded them in Book 57 at Pages 109-110 of the Town of Stowe Land Records. The Protective Covenants were amended by Land Associates, Inc. by an Amendment dated February 4, 1969 and recorded in Book 57 at Page 338 of the Stowe Land Records.

B. On or about July 8, 1981, Land Associates, Inc. did grant to the Corporation all of the rights retained by Land Associates, Inc. under the Protective Covenants, including the right to modify, amend or waive any of the Protective Covenants , pursuant to Quitclaim Deed recorded in Book 98 at Pages 90-91 of the Stowe Land Records.

C. On or about June 8, 1974, the Corporation did adopt certain By-Laws to govern its affairs and acting pursuant to the powers to amend those By-Laws set forth therein it has amended those By-Laws from time to time (the By-Laws, as amended, being hereinafter referred to as the "By-Laws"). On or about July 18, 1981, Land Associates, Inc. did assign to the Corporation all rights, privileges, and obligations it had under the By-Laws of the Corporation, pursuant to Assignment recorded in Book 99 at Pages 370-371 of the Stowe Land Records.

D. The Board of Directors of the Corporation has determined it to be necessary and appropriate for the continued governance and maintenance of the affairs of the Corporation to amend and restate the Protective Covenants and the By-Laws in their entirety.

E. At a duly noticed Special Meeting of the Board of Directors of the Corporation held on March 29, 2008, with a quorum present throughout, the Board of Directors did unanimously: (i) approve amendments to the Protective Covenants, hereinafter referred to as the Amended and Restated Declaration of Protective Covenants, Conditions, Rights, and Restrictions, and the By-Laws in the form that follows; (ii) recommend to the Members of the Corporation that the Amended and Restated Declaration of Protective Covenants, Conditions, Rights, and Restrictions and By-Laws be approved by them at the Annual Meeting of the Members; and (iii) instruct the Secretary of the Corporation to state in the Notice of the Annual Meeting one of the purposes of that meeting would be that of having the Members vote upon and approve the Amended and Restated Declaration of Protective Covenants, Conditions, Rights, and Restrictions and By-Laws in the form that follows.

. At a duly noticed Annual Meeting of the Members of the Corporation held on May 24, 2008, with a quorum present (thirty-eight (38) votes needed for a quorum and thirty-eight (38) votes present in person or by proxy) throughout, did approve of the Amended and Restated Declaration of Protective Covenants, Conditions, Rights, and Restrictions and By-Laws in the form that follows by casting thirty-eight (38) affirmative votes.

**NOW, THEREFORE,** the Protective Covenants and By-Laws are amended and restated in their entirety, as follows:

The following covenants, conditions, rights, and restrictions are hereby made applicable to the Lots in the real estate development known as SUGAR HOUSE HILL in the Town of Stowe, County of Lamoille and State of Vermont as shown upon a plan entitled "Plat Plan of Lots and Areas of Sugar House Hill Mountain Road and Edson Hill Road, Stowe, Vermont" filed as Map File No. 6-M and recorded in Map Book A at Page 95 of the Land Records of the Town of Stowe and included in the areas shown on said Plan and identified with numbers prefixed by the letters A, B, C, D, E, F, and G.

1. The Corporation confirms the grant by Land Associates, Inc. to the owner, or owners, of each of the above described Lots as appurtenant thereto a right-of-way in common with others over the roads and foot paths as shown upon said Plan unless and until said roads are accepted as public roads. However, excepted and excluded herefrom are the following described rights of way shown upon the above described plan and located as follows:

   a. Right of way located between Lots D2, D3, D4, C2, C3, C4 and C5.
   b. Right of way located between Lots C1 and C11.
   c. Right of way located between Lots F3, F4 and F5.
   d. Right of way located between Lots F7, F8 G1, G2 and G3.

   It is noted that all private roads in Sugar House Hill were conveyed to the Corporation by deed of Land Associates, Inc. dated April 27, 1973 and recorded in Book 72 at Pages 313-315 of the Stowe Land Records.

2. No building, or part thereof, shall be erected on any of the said Lots in said development the outside walls of which shall be less than twenty-five (25) feet from any street or within twenty-five (25) feet of the side or rear lot lines of the premises, nor shall any cesspool, septic tank, leaching basin or sewage disposal field be constructed within fifty (50) feet of the edge of any brooks, streams or ponds. The restrictions and requirements contained in the Town of Stowe Zoning Regulations and all applicable State of Vermont land use laws shall apply to all Lots and shall be paramount to and take priority over the aforesaid setback and buffer zone distances.

3. No more than two (2) principal buildings, one of which shall be a house, the other a garage, plus one (1) small outbuilding, shall be placed, erected or maintained on a Lot.

4. The control of all brooks, streams or ponds is reserved to the Corporation. No owner of any Lot shall interfere in any way with water rights relative to the brooks, streams, ponds, and wetlands flowing through or located upon the Lot, and no owner shall cause or allow any pollution or degradation of the quality of water in said brooks, streams, ponds, and wetlands by effluent discharge or otherwise. Construction of any pond and the use of brooks or streams flowing through the Lot to provide water for any such pond shall not be commenced or allowed without first obtaining the written approval of the Corporation.

5. No construction or development upon a Lot shall be commenced until the architectural, site, and landscape plans and specifications have been approved in writing by the Corporation, or such other person or entity as the Corporation may from time to time appoint for this purpose, and until approval of any governmental agency having authority has been obtained. All plans for the construction, alteration, or exterior remodeling of or addition to any building, structure or other assemblage to be erected or placed upon a Lot, including all architectural, site, and landscaping plans, must be submitted to and approved in writing by the Corporation prior to the commencement of any construction, erection, or site work. The review and prior approval

rights of the Corporation shall encompass all components of construction and site work including but not limited to location, exterior form, materials, colors, architectural style, exterior lighting, fencing, and finish grade elevation. If approval of such plans is granted, such approval shall be evidenced by written endorsement on the plans or separate written certification, with such conditions and additional provisions as the Corporation shall deem necessary or advisable. No changes or deviations in such plans as approved shall be allowed without the prior written consent of the Corporation. The Corporation shall complete the review process within thirty days from the date of receipt of a complete set of plans submitted for approval, which said approval shall not be withheld unreasonably.

By way of general guidance with respect to design elements and construction components emphasized by the Corporation, but without any prior commitment or obligation upon the Corporation with respect to approval thereof, the following guidelines and suggestions shall apply:

5.1 The use of traditional New England design elements and appearance is encouraged. Roofs with ten/twelve or twelve/twelve pitch are preferred.

5.2 Exterior siding should be traditional in nature. Use of aluminum or vinyl exterior siding is discouraged and will generally not be approved. Installation of solar panels on the roof should be placed to be as unobtrusive as possible. Television antennas other than small satellite dishes should be installed inside the attic space and not on the roof or other outside location.

5.3 Roofing materials should be limited to such materials as the Corporation deems appropriate.

5.4 Choice of colors for all exterior siding and roof shingles is critical to ensure compatibility with the setting. Bright or garish colors will generally not be approved. Natural wood tones preserved and enhanced by exterior all-weather stain, and soft color schemes for exterior siding are encouraged.

6. None of said Lots shall be subdivided for sale purposes or otherwise, except the area designated as D1 as shown on said Plan, and except for minor boundary line adjustments approved by the Town of Stowe Zoning Administrator.

7. The zoning laws of the Town of Stowe, Vermont, and the land use laws of the State of Vermont from time to time in effect shall be applicable to the said Lots.

8. No trailers, unregistered motor vehicles or similar conveyances shall be built or placed or permitted to remain for any period of time upon said Lots, if such vehicles or conveyances are visible from the road or any adjoining property. No snowmobile, all-terrain vehicle or similar conveyance shall be operated or permitted to remain on the roadways of Sugar House Hill or any of the common areas.

9. No animals or fowls, except domestic pets, shall be kept on any of said Lots and no nuisance shall be permitted thereon. Domestic pets shall be leashed or otherwise controlled by their owner when using the common areas of Sugar House Hill.

10. No dwelling constructed on any of said Lots shall be occupied unless and until it is completed and no temporary building shall be occupied for dwelling purposes upon said Lots during the construction thereof. The construction of the foundation and all exterior surfaces, including roof, siding, windows, doors, and all other exterior finish details of any building or structure erected on a Lot shall be completed in accordance with the approved plans within twelve months from commencement of construction, subject to any modifications allowed by written consent of the Corporation. General landscaping and final site refinement of the Lot, including establishment of lawn areas, shall be substantially completed at the time of completion of construction. Temporary structures for storage of building materials and tools may be erected or placed upon the Lot during the construction period, but any such temporary structures shall be removed upon completion of construction.

11. Said Lots shall be used for residential purposes only and no part of said Lots shall be used for mechanical, manufacturing or mercantile business and no business, trade or calling shall be conducted on the said Lots for profit. This restriction shall not be construed to prohibit a home office used for the convenience of the owner or lessee, which does not serve clients or customers on the premises.

12. No live trees exceeding eight (8) inches in diameter at a height of four (4) feet above ground level shall be felled, removed, girdled or blazed except as is necessary for the construction of buildings, installation of driveways, cut and fill operations, or site and landscape development, and no tree shall be so treated without the written approval of the Corporation. The Corporation may require submission to, and written approval by, the Corporation of a site plan showing the site and landscape development being proposed.

13. All service lines for utilities, including, but not limited to, telephone, lights and power, shall be placed underground from the nearest pole in the street or way, as shown on said Plan, to the structures erected on said Lots. Anything herein to the contrary notwithstanding, the Corporation shall not be liable for the laying of said utility lines from the nearest pole in the street or way to the structures erected on said Lots, nor for the repairing, constructing or maintaining of such lines. The Corporation reserves for itself and its successors and assigns such rights-of-way over said Lots as shall be necessary for the purposes of laying any utility and service pipes and lines under or over such Lots and for the purposes of repairing, constructing and maintaining such lines.

14. As daily, weekly, or similar short-term rentals have proven to be objectionable and disruptive to other property owners within Sugar House Hill, the owners and their heirs, executors, administrators and assigns of each of the above described Lots will not lease said Lots, or any portion thereof, or any structure or any portion of structure thereon, without the prior written consent of the Corporation.

15. All outdoor lighting shall be installed or shielded in such a manner as to cast light downward and to conceal light sources and reflector surfaces from view substantially beyond the perimeter of the area to be illuminated.

16. The owner of each Lot shall at all times maintain the Lot in a clean, neat, and presentable fashion consistent with the plan to establish and preserve a well kept neighborhood community. No refuse or debris shall be stored or allowed to accumulate on the premises outside of any building. All trash awaiting removal shall be stored out of sight from the roadways and adjoining Lots and removed promptly so as to prevent any unsightly appearance or noxious odors. Planting of trees, bushes, flowers, and other plantings for landscaping, screening, or ornamental purposes is encouraged.

17. No owner shall cause or allow any activity, condition or other thing to occur or exist on a Lot that creates a condition constituting a nuisance and that is not in keeping with the rural residential neighborhood character of the area. With specific regard to noise pollution, the operation of motorized vehicles such as trail motorcycles, all-terrain vehicles, snowmobiles, go-carts and the like is prohibited within Sugar House Hill. The use of garden tractors, power lawnmowers, light chain saws, and other devices commonly utilized in the maintenance of property shall be permitted during daylight hours only.

18. No right-of-way or easement may be allowed, permitted, or granted by any owner over or across any Lot for providing access to adjoining or nearby land or for any other purpose unless approved in writing by the Corporation.

19. The owners and their heirs, executors, administrators and assigns will not sell or otherwise dispose of any of the said Lots, except in accordance with the procedures provided for in the By-Laws of the Corporation referred to in Paragraph 20 hereof. When the By-Laws of the Corporation have

been complied with to the satisfaction of the Corporation, said Corporation will so certify as evidence that this covenant has been complied with.

20. All owners of Lots shall be members of the Corporation and shall be subject to and abide by all of the covenants, conditions, rights, and restrictions contained and referred to in these Protective Covenants and the By-Laws of the Corporation, together with any rules and regulations duly adopted by the Corporation.

21. Violation of any of the foregoing provisions contained or referred to in these Protective Covenants shall render the owner or owners and/or lessee or lessees of said Lot(s) and their successors and assigns liable to the Corporation for all costs and expenses, including, but not limited to, legal fees and disbursements, required for the enforcement thereof and, where appropriate, for the restoration of the Lot to its original condition in the event of any unauthorized site, construction, or development work on the Lot. In the event of a breach or violation by any owner, the Corporation and/or the owner or owners of any other Lots affected adversely thereby may enforce the provisions of these Protective Covenants against the violating owner by appropriate proceedings for monetary damages, injunctive relief, or both. No delay, neglect, or omission to take appropriate enforcement action shall be construed as a waiver of, or acquiescence in, violation or breach of any covenant, condition, or restriction; and enforcement action may be taken at any time so long as these Protective Covenants are in force.

22. All costs and expenses, including reasonable attorney's fees, incurred in any enforcement actions against a violating owner shall be the obligation of and paid by the violating owner. In the event any such owner fails or refuses to pay such costs and expenses, a lien shall arise against the owner's Lot and shall continue thereon, together with interest accruing on the amount of said lien at the rate of twelve percent (12%) per annum until all costs and expenses secured by such lien are paid in full. The lien may be foreclosed in accordance with the provisions of Vermont law applicable to foreclosure of mortgages of real property. In the event of foreclosure, the violating owner shall be required to pay all costs and expenses of such proceedings, including reasonable attorney's fees.

23. The Corporation reserves the right to itself and its successors and assigns to modify, amend or waive any or all of the above described covenants, agreements and restriction for any reason which the Corporation, may in its sole discretion deem to be in the best interests of the owners of all of the said Lots as shown upon the above described plan. Any such modification, amendment or waiver may be retroactive to the date hereof. The right to modify, amend or waive may be exercised by the Corporation as to all or any of the above described Lots and any such modification, amendment or waiver shall not be construed to apply to any Lots other than those specified by the Corporation. . Any such amendments, modifications, or waivers that are applicable only to a single Lot shall require the written consent of the owner(s) of such specific Lot.

24. The burden of the covenants, agreements and restrictions above set forth shall run with the land affected thereby and shall be construed as covenants real.

# BY-LAWS
# OF
# SUGAR HOUSE HILL
# PROPERTY OWNERS ASSOCIATION, INC.

## ARTICLE I.

SECTION 1. Sugar House Hill Property Owners Association, Inc. is a non-profit corporation (hereinafter called the Corporation) organized for the purpose of adopting rules and regulations governing use and maintenance of areas in the development known as Sugar House Hill, to be used in common in said development, and to administer these rules and regulations as it deems appropriate for the benefit of the landowners of said development for their common enjoyment of said area.

SECTION 2. The principal office of the Corporation shall be located in the Town of Stowe in the State of Vermont. The books and records of the Corporation shall be kept at its principal office within the State of Vermont.

## ARTICLE II.

## MEMBERSHIP

SECTION 1. *Members* shall be those persons who are owners (whether individually or concurrently, as joint tenants, tenants by the entirety or tenants in common) of any of the Lots delineated on a certain plan entitled "Plat Plan of Lots and Areas of Sugar House Hill Mountain Road and Edson Hill Road, Stowe, Vermont" filed as Map File No. 6-M and recorded in Map Book A at Page 95 of the Stowe Land Records (each of said Lots hereinafter called a Lot and said plan hereinafter called the Plan), except areas shown on such Plan and identified "H", "J" and "K" which are expressly excluded herefrom.

All owners of said Lots are members of the Corporation. Upon acquisition of a Lot, the owner thereof shall make an initial membership payment to the Corporation in the amount of one hundred dollars, subject to adjustment as determined from time to time by the Board of Directors. Each member in good standing shall have all the privileges and entitlements with voice and vote in all meetings of the membership with the right to hold office and otherwise participate in the affairs of the Corporation.

*Rights and Privileges of Members.* All members shall have the same rights and privileges with respect to the use and enjoyment of any property owned or operated by the Corporation , and said rights and privileges shall extend to and be enjoyed by any lawful occupant or lessee of such a Lot owned by a member or members and by any bona fide guest of any member or occupant or lessee of such a Lot, except as otherwise provided by these By-Laws and except that such rights and privileges of any such lawful occupant, lessee or guest may be withdrawn at any time by two-thirds vote of the Board of Directors

SECTION 2. *Assessments.* By acceptance of a deed to a Lot in Sugar House Hill, each purchaser or owner of a Lot therein shall be liable, for the payment of an annual assessment which is the owner's pro rata share of the total operating costs of the Corporation, including taxes, maintenance of the common properties, roads and roadsides, and other such obligations of the Corporation.

*Apportionment of Operating Costs.* The total assessment or assessments levied by the Board of Directors to cover the operating costs of the Corporation in any fiscal year of the Corporation may be determined from time to time at an annual or special meeting of the members upon the affirmative vote of one-half (1/2) of the total voting rights of the members of the Corporation.

*Fiscal Responsibility.* Any such assessments levied by the Board, if unpaid within ninety (90) days, shall become a lien upon any Lot(s) owned by a property owner owing such assessment. Such lien shall attach automatically ninety (90) days from the date of notice that such an assessment is due and payable, and the amount of the lien shall be increased by 1% interest per month (12% annual rate) on the unpaid amount. Such lien may be enforced, at the discretion of the Board, either by suit against the delinquent property owner or by foreclosure proceedings, and shall be discharged only upon full payment of the amount due.

All costs of litigation reasonable and necessary to the enforcement of such lien, including attorney's fees shall be added to the amount of such lien at the discretion of the Board.

The lien of the assessments provided for herein shall be subordinate to the lien of any mortgage(s) now or hereafter placed upon the Lots subject to fees or assessments running to a bank, savings and loan institution, insurance company or other institutional lender; provided, however, such subordination shall apply only to the assessments which have become due and payable prior to the transfer of such property pursuant to a decree of foreclosure, or any other proceeding in lieu of foreclosure. Such transfer shall not relieve such Lots from liability for any assessments thereafter becoming due nor from the lien of any such subsequent assessments.

The assessments shall be used for general operating expenses, including, but not limited to, disbursements for operating, maintaining, repairing, and replacing as necessary the access roadways, utility systems and lines, and other common facilities now or hereafter located in Sugar House Hill; all necessary or advisable charges for labor, equipment, materials, real property taxes, insurance, management, maintenance, and supervision within Sugar House Hill; fees for legal, architectural and other professional services; and in general for promoting the health, safety, and welfare of the owners of the Lots within Sugar House Hill. The determination, levying, and collection of the common expenses and assessments shall be carried out by the Board of Directors.

In addition to the annual assessments, the Corporation may levy special or supplementary assessments for purposes of defraying the costs of any extraordinary expenses not covered by the annual assessments. Any such special or supplementary assessments shall require the approval of the Board at a special meeting of the Board called for the purpose of considering such special or supplementary assessment.

Notwithstanding any statement or provision to the contrary herein, the obligation of each owner to pay the proportionate share of the reasonably and necessarily incurred common expenses and assessments as set forth in the Protective Covenants shall be and remain in full force and effect regardless of any failure or omission of the Corporation to conduct its affairs in strict conformance with these Bylaws.

SECTION 3. *Duration and Termination of Membership.* A member shall continue as such until the member's death or until the termination of the member's membership as hereinafter provided.

Any member may be removed from membership for conduct deemed prejudicial to the Corporation or for failure to comply with the requirements of these By-Laws or the rules and regulations made pursuant thereto, by an affirmative vote of three-fourths (3/4) of the members entitled to voting rights in the Corporation at any annual meeting or special meeting called for that purpose.

Any member in default of payment of assessments for a period of ninety (90) days after notice that such assessments are due and payable shall ipso facto forfeit the member's voting rights in the Corporation until such default be cured.

Membership shall automatically terminate upon the sale, conveyance or transfer by any property owner of the owner's Lot.

Upon the termination of the membership of any individual for any cause or reason whatsoever, such individual shall forfeit all rights and privileges of membership and all the member's rights and claims in and to the property of the Corporation, and all the owner's interest in such property shall vest in the Corporation absolutely. However, such individual may have the rights and privileges of a lawful occupant or lessee of a Lot owned by a member or occupant or lessee of such Lot as provided in Section 1 of this Article.

SECTION 4. *Compensation*. Members shall not be entitled to receive from the Corporation as such members, any compensation or other distribution of funds or property of the Corporation.

## ARTICLE III

## MEETINGS

SECTION 1. *Annual Meeting*. The annual meeting of the members for the election of Directors and for the transaction of such other business as may properly come before the meeting shall be held on the last Saturday in May of each year, or on the next succeeding Saturday not a legal holiday, or on such other date as may from time to time be determined by the Board. Such annual meetings shall be general meetings and open to the transaction of any business within the powers of the Corporation.

If for any reason the annual meeting of the members shall not be held on the day hereinbefore designated, such meeting shall be called and held as a special meeting as soon thereafter as is practical and convenient and the same proceedings may be held thereat as at an annual meeting.

SECTION 2. *Special Meetings*. Special meetings of the members may be called at any time by the Secretary of the Corporation upon the request of the President, upon the request of members representing one-third (1/3) of the members, or upon resolution of the Board of Directors.

SECTION 3. *Place of Meeting*. All meetings of the members shall be held at such places in the State of Vermont as shall be specified in the respective notices of such meetings.

SECTION 4. *Notices of Meetings*. Notice of every annual meeting and of every special meeting of the members shall be served personally, by mail or in such other manner as may be provided in the Vermont Nonprofit Corporation Act, on each member entitled to vote at such meetings not less than ten nor more than forty days before the meeting.

Such notice shall state the purpose or purposes for which the meeting is called and the time when and the place where it is to be held. If mailed, such notice shall be directed to each member at his address as it appears on the books or records of the Corporation. If sent by permissible electronic media, such notice shall be sent to the last known electronic address appearing on the books or records of the Corporation.

Notice of the time, place or purposes of any meeting need not be given to any member who attends such meeting or to any member who in writing executed and filed with the records of the Corporation, either before or after such meeting, waives such notice.

SECTION 5. *Quorum*. At all meetings of the members the presence in person or by proxy of members representing one-third (1/3) of the voting rights shall be necessary and sufficient to constitute a quorum.

SECTION 6. *Voting*. Unless otherwise provided by law or specifically by these By-Laws, only members, as herein defined, shall be entitled to vote. At each meeting of the members of the Corporation each member shall be entitled to one vote for each Lot owned by said member as of the date of said meeting, and any member who shall be a joint tenant, a tenant by entirety or a tenant in common with respect to a Lot shall be entitled to a fraction of a vote which is equal to the number of tenants having ownership rights in said Lot.

SECTION 7. *Proxies*. Each member entitled to vote may vote either in person or by proxy in writing. No proxy shall be deemed operative unless and until signed by the member and filed with the Corporation.

SECTION 8. *Voting Procedures*. At all meetings of the members all matters (except where other provision is made by statute or these By-Laws) shall be decided by a majority of the votes cast by the members present in person or by proxy and entitled to vote thereat, a quorum being present.

Unless demanded by a member present in person or by proxy at such meeting and entitled to vote thereat, or determined by the chairman of the meeting to be advisable, the vote on any question need not be by ballot. A vote by ballot, taken upon the demand by any such member or determination by the chairman of the meting, shall be signed by the member voting or by the member's proxy as such, if there be such proxy, and shall state the number of votes cast by such member or proxy.

The chairman of the meting may appoint one or more Tellers, or Inspectors of Election, to determine the qualification of voters, the validity of proxies and the results of ballots.

## ARTICLE IV

## BOARD OF DIRECTORS

SECTION 1. *Authorization.* The affairs and the property of the Corporation shall be managed by the Board of Directors. The Directors shall act only as a Board and individual directors shall have no power as such.

The Board shall consist of nine (9) members. Directors need not be members.

SECTION 2. *Election of Directors.* Directors shall be elected by the members at their annual meeting. Directors shall be elected by a plurality of the votes cast and may succeed themselves in office.

Each person elected a Director shall hold office for a period of two (2) years and until his successor shall have been duly elected and qualified, or until his earlier death, resignation or removal in accordance with these By-Laws. One half (1/2), to the nearest whole number, of the Directors shall be elected at each annual meeting.

SECTION 3. *Meetings.* The annual meeting of the Board for the election of officers and for the transaction of such other business as shall properly come before the meeting shall be held as soon as practicable following the Annual Meeting of members.

Such annual meetings of the Board shall be general meetings and open for the transaction of any business within the powers of the Board without special notice of such business except in any cases where special notice is required by law or by these By-Laws.

*Special Meetings* of the Board shall be called at any time by the Secretary upon the request of the President or no less than one-half (1/2) of the Directors.

*Place of Meetings.* All meetings of the Board shall be held at such places within or without the State of Vermont as shall be specified in the respective notices of such meetings or waivers thereof.

*Quorum.* Except as otherwise provided by law or these By-Laws, at all meetings of the Board the presence of one-half (1/2) of the Directors shall be necessary and sufficient to constitute a quorum and the act of a majority of the Directors present shall be the act of the Board.

SEC 4. *Unanimous Written Consent/Conference Calls.* Unless the Articles of Association otherwise provide, any action required or permitted to be taken at any meeting of the Directors may be taken without a meeting if all the Directors consent to the action in writing and the written consents are filed with the records of the meeting of the Directors. Such consents shall be treated for all purposes as a vote taken at a meeting. After notifying each Director, action may also be taken through telephone or other device where each person participating may hear the others and any action so taken shall also be as valid as though authorized at a meeting of the Board.

SECTION 5. *Powers of Directors.* The Board, in addition to the powers conferred by these By-Laws, shall have the right to exercise such power and to do such acts as may be exercised by the Corporation, subject to the statutes of the State of Vermont, and to the provisions of the Articles of Association and these By-Laws.

Without prejudice to the general powers conferred and other powers conferred by statute, by the Articles of Association and by these By-Laws, the Board may have the following powers:

(a) To appoint, retain and employ, and at its discretion to remove and suspend, permanently or temporarily, such attorneys, accountants, auditors, assistants, clerks, employees and agents as it may from time to time choose, and to determine and fix their retainers, salaries and emoluments, an to confer by resolution upon any officer of the Corporation the right to choose and remove or suspend all assistants, clerks, employees and agents and to fix and change their salaries.

(b) To authorize any officer, employee or agent, in the name of and on behalf of the Corporation, to enter into any contract or execute and deliver any bill, check, draft or other order for payment of money out of the funds of the Corporation, note or other evidence of indebtedness, receipt, endorsement, release or other instrument, and such authority may be general or confined to specific instances, and

To determine and fix from time to time an amount or amounts to be paid to the Corporation by the owners of Lots in Sugar House Hill, which amount or amounts shall be deemed necessary or desirable by the Board for the accomplishment or fulfillment of the purposes and objects of the Corporation, and to levy from time to time against owners of said Lots, in accordance with Section 2 of Article II of these By-Laws, an assessment or assessments of said amount or amounts, subject to the limitations set forth in said Section 2, to be paid by said Lot owners to the Corporation and to take any and all action which may be necessary or proper for the purposes of collecting these.

SECTION 6. *Notice of Meetings.* Notice of every annual meeting and of every special meeting of the Board shall be served in writing or by such other means as allowed by the Vermont Nonprofit Corporation Act on each Director not less than three nor more than fifteen days before the meeting. In the case of special meetings, such notice shall state the purpose or purposes for which the meeting is called and the time when and the place where it is to be held.

If mailed, such notice shall be directed to each Director entitled to notice at his address as it appears on the books or records of the Corporation. Notice of the time, place or purposes of any meeting need not be given to any Director who, in writing, executed and filed with the records of the Corporation, either before or after the holding of such meeting, waives such notice. If sent by permissible electronic media, such notice shall be sent to the last known electronic address appearing on the books and records of the Corporation.

SECTION 7. *Resignation and Removal of Directors.* Any Director may be removed at any time, with or without cause and with or without notice, by two-thirds (2/3) of the remaining Directors, though less than a quorum of the remaining Directors.

SECTION 9. *Compensation.* Neither Directors nor Officers shall receive compensation for their services as such, but the Board may authorize reimbursement for expenses incurred in connection with the performance of their duties.

## ARTICLE V

## OFFICERS

SECTION 1. *Number of Officers.* The officers of the Corporation shall be a President, one or more Vice Presidents, a Treasurer and a Secretary, all of whom shall be elected by the Board of Directors, and such other officers, as may be appointed in accordance with Section 3 of this Article. Officers need not be members.

SECTION 2. *Election of Officers.* The officers shall be elected annually at each annual meeting of the Board. They shall be elected by a plurality of the votes cast and may succeed themselves in office.

Each person elected an officer shall continue in office until the next annual election of officers and until his successor shall have been duly elected and qualified or until his earlier death, resignation or removal in accordance with these By-Laws.

Offices left vacant for any reason named herein may be filled by a vote of a majority of directors present and voting at a special meeting of the Board called for that purpose or at any regular meeting.

SECTION 3. *Additional Officers.* The Board at any meeting may by resolution appoint such additional officers and such agents and employees and determine their term of office and compensation, if any, as it may deem advisable. The Board may delegate to any officer or committee the power to appoint such subordinate officers or agents and to determine their terms of office and compensation, if any.

SECTION 4. *Removal of Officers.* Any officer may be removed at any time with or without cause and with or without notice by a vote of two-thirds of the directors present and voting at any meeting of the Board.

SECTION 5. *President.* The President shall be elected from among the Directors. The President shall preside at all meetings of the Board and of the Corporation. The President shall be the chief executive officer of the Corporation and shall have general supervision over the affairs and property of the Corporation and over its several officers, and shall generally do and perform all acts incident to the office of President and shall have such additional powers and duties as may be from time to time assigned to the President by the Board.

SECTION 6. *The Vice Presidents.* The Board shall elect one or more Vice Presidents. At the request of the President, or in the President's absence or disability, the Vice Presidents, in the order designated by the Board, shall perform all the duties of the President and, when so acting, shall have all the powers, and be subject to all the restrictions upon the President. The Vice Presidents shall perform such other duties as shall from time to time be assigned to them by the Board or the President.

SECTION 7. *The Treasurer.* The Board shall elect a Treasurer, who shall act under the supervision of the Board and shall have charge and custody of, and be responsible for, all the funds of the Corporation and shall keep or cause to be kept and shall be responsible for the keeping of, accurate and adequate records of the assets, liabilities and transactions of the Corporation.

The Treasurer shall deposit all moneys and other valuable effects of the Corporation in such banks, trust companies, or other depositories as may be designated in the manner provided in Section 5 of Article IV hereof.

The Treasurer shall disburse the funds of the Corporation based upon proper vouchers for such disbursements. In general, the Treasurer shall perform all the duties incident to the office of Treasurer and such other duties as may from time to time be assigned to the Treasurer by the Board or the President.

If required by the Board, the Treasurer shall give a bond for the faithful discharge of the Treasurer's duties in such sum and with such surety or sureties as the Board shall determine. The expense of such bond shall be paid by the Corporation.

SECTION 8. *The Secretary.* The Board shall elect a Secretary of the Corporation, who shall keep accurate and adequate minutes of all meetings of the Board and of the members, in one or more books provided for that purpose, and whenever required by the President, shall perform like duties for any committee.

The Secretary shall have charge of the records and papers of the Corporation relating to its organization as a Corporation and shall see that all reports, statements and other documents required by law are properly kept or filed, except to the extent that the same are to be kept or filed by the Treasurer.

The Secretary shall keep a list with the names and addresses of members together with the date they became members or date the membership was terminated; the Secretary shall see that all notices are duly given in accordance with these By-Laws and as require by law and shall be the keeper of and affix and attest the seal of the Corporation to any and all documents the execution of which on behalf of the Corporation under its corporate seal shall have been specifically or generally authorized by the Board. In general, the Treasurer shall perform all the duties as may from time to time be assigned to the Treasurer by the Board or by the President. In the event of a vacancy in the office of Secretary, the Board shall elect a Secretary to fill the vacancy until the next annual meeting.

## ARTICLE VI

## COMMITTEES

SECTION 1. *Executive Committee.* The Board may appoint an Executive Committee, which shall consist of the President of the Corporation , and not less than two nor more than five additional directors as may be fixed from time to time by the Board. The additional directors shall be chosen by a plurality of the votes cast. Vacancies in the Committee may be filled by the Board at any meeting. Any member or members of the Committee may be removed from membership on the committee at any time with or without cause by a vote of the majority of the directors present and voting at any meeting of the Board.

*Powers of.* The Executive Committee shall, during the intervals between meetings of the Board, possess and exercise all of the powers of the Board in the management of the affairs and property of the Corporation except as otherwise provided by law, these By-Laws or by resolution of the Board.

*Records and Reporting.* The Committee shall keep full and fair records and accounts of its proceedings and transactions, and except as otherwise provided by law, these By-Laws or by resolution of the Board, may fix its rules of procedure, determine its manner of acting and the time and place of its meetings and specify what notice thereof, if any, shall be given, subject to requirements set forth in the Vermont Nonprofit Corporation Act governing actions by Committees. All actions by the Committee shall be reported to the Board at its next meeting succeeding such action and shall be subject to revision and alteration by the Board, provided that no rights of third persons shall be affected by any revision or alteration.

*Quorum.* The presence of three (3) of the members of the Executive Committee shall be necessary and sufficient to constitute a quorum and the act of a majority of those present shall be the act of the Committee.

SECTION 2. *Miscellaneous Committees.* The Board may from time to time by resolution constitute such other committees of directors, officers, employees, members or non-members, with such functions, powers and duties not inconsistent with these By-Laws as the Board or Executive Committee shall determine. Unless the Board or Executive Committee shall provide otherwise, each such committee shall enact rules and regulations for its government.

SECTION 3. *Restricted Powers of Committees.* Neither the Executive Committee nor any other committee constituted by the Board or Executive Committee shall possess or be authorized to exercise any of the powers of the Board with respect to any matter requiring a vote greater than that of two-thirds (2/3) of the directors present and voting at an annual or special meeting of the Board and as to such matters, the Board, acting as such, shall at all times have exclusive power and authority.

## ARTICLE VII

## COMPLIANCE WITH COVENANTS

SECTION 1. *Transfer of Property.* Each purchaser or owner of a Lot(s) in Sugar House Hill, by the acceptance of a deed thereto and in accordance with pertinent provisions of the Protective Covenants shall agree that any subsequent sale or disposal of said Lot(s) by said owner shall be subject to compliance with these By-Laws.

*Duration of Agreement.* The provisions of this By-Law are for, and shall inure to, the benefit of the Corporation and each and all subsequent members thereof, that the provisions thereof may be enforced by any members of the Corporation, that the agreement shall endure and continue until the year 2040, that it shall be binding upon the successors, heirs, executors, administrators and legal representatives of said property owner and that no supplement, amendment or modification may be made without the approval and consent of the majority of the members of the Corporation.

The provisions of this section shall not be deemed to prohibit the conveyance or devise of all or any part of a Lot, or interest therein, to the surviving spouse and/or to any of the direct lineal descendants of any property owner.

SECTION 3. *Surety Bond.* Each property owner, prior to the start of any construction on the Lot, shall be required to furnish a Surety Bond in an amount of not less than twenty-five thousand dollars ($25,000) in favor of the Corporation. Such bond shall be utilized for satisfaction of claims by the Corporation relating to damage to the common areas of the Corporation caused by such construction, to ensure that construction is carried out in conformance with the plans and specifications approved by the Board, or for reasonable expenses, including attorney's fees, actually and necessarily incurred by the Corporation in the prosecution of such claims.

## ARTICLE VIII
## MISCELLANEOUS

SECTION 1. *Notices in General.* Except as may otherwise be required by law or these By-Laws, any notice required to be given under these By-Laws, shall be in writing and signed by the President or the Secretary, or as otherwise allowed by the Vermont Nonprofit Corporation Act. Such notice shall be deemed sufficient if given by depositing same in a post office box in a sealed postpaid wrapper addressed to the person entitled thereto at his last Post Office address appearing on the records of the Corporation, and shall be deemed to have been given on the day of such mailing. Such notice need not be given to any person entitled thereto who may in writing waive such notice either before or after the meeting or other matter concerning which such notice is to be given.

SECTION 2. *Indemnification.* Any person made a party to any action, suit or proceeding by reason of the fact that he, his testator or intestate, is or was a director, officer or employee of the Corporation or of any corporation he served as such at the request of the Corporation, shall be indemnified by the Corporation to the fullest extent provided by the Vermont Nonprofit Corporation Act against the reasonable expenses including attorney's fees, actually and necessarily incurred by such person in connection with the defense of such action, suit or proceeding, or in connection with any appeal therein, except in relation to matters as to which it shall be adjudged in such action, suit or proceeding that such director, officer or employee is liable for negligence or misconduct in the performance of his duties.

The foregoing right of indemnification shall not be deemed exclusive of any other rights to which any such director, officer or employee may be entitled as a matter of law.

SECTION 3. *Fiscal Year.* The fiscal year of the Corporation shall begin on the first day of May and terminate on the thirtieth day of April in each year and books shall be closed at midnight on that day.

SECTION 4. *Gender Neutrality.* All references to the masculine gender in these By-Laws shall be construed to include both the masculine and feminine genders.

## ARTICLE IX

## PARLIAMENTARY AUTHORITY

The rules contained in the current edition of Robert's Rules of Order Newly Revised shall govern the Corporation in all cases to which they are applicable and in which they are not inconsistent with these By-Laws and any special rules of order the Corporation may adopt.

## ARTICLE X

### AMENDMENT OF BY-LAWS

These By-Laws or any of them may be altered, amended or repealed or new By-Laws may be adopted only by the affirmative vote of a majority of the total voting rights of all members in the Corporation.

Dated Adopted: May 24, 2008

The undersigned, being the duly elected Secretary of the Corporation, hereby certifies that the aforesaid Amended and Restated Declaration of Protective Covenants, Conditions, Rights, and Restrictions and the By-Laws were approved by unanimous vote of 38 votes of the Members of the Corporation present in person or by proxy at the duly warned annual meeting of the Members of the Corporation held on May 24, 2008, with a quorum being present, which said votes comprise at least two-thirds (2/3rd) of the total voting rights of all Members of the Corporation.

Dated at Stowe, Vermont as of and effective on May 24, 2008.

Sugar House Hill Property Owners Association, Inc.

By: Brenton S. Paley
Secretary

Stowe, Vt Record Received
JUNE 18, 2008 at 2 15 P M
Alison A. Kaiser, Town Clerk