DECLARATION OF CONDOMINIUM
of
OLD MORGAN ORCHARD

KCS, LLC (the "Declarant"), owner in fee simple of the real estate described in Section 1.02 located in the Town of Jericho, Chittenden County, Vermont, hereby submits the real estate, together with all easements, rights and appurtenances thereto and the buildings and improvements erected or to be erected thereon (collectively, the "Property") as a Condominium pursuant to the provisions of 27A Chapter 17, known as the Vermont Common Interest Ownership Act (the "Act").

ARTICLE I

Definitions and Descriptions

Section 1.01 *Definitions.*

Each capitalized term not otherwise defined in this Declaration or in the Plats and Plans shall have the meanings specified or used in the Act.

Section 1.02 *Description of Property.*

The Property consists of all and the same land and premises together with improvements thereon, and all easements benefitting and burdening the Property, and rights appurtenant thereto, as identified on Exhibit A attached hereto.

Section 1.03 *Description of Building Units and Allocations.*

The Condominium shall consist of 6 units located in three duplex buildings. The buildings are wood frame construction with vinyl siding. The units are colonial/cape style; they each have a first or main floor and a second or upper floor and a basement. The basement floor is poured concrete; the upper floors are wood construction. The roof is covered with asphalt shingles. The location of all Units within the Buildings are shown on the site plan attached as Exhibit B. Each Unit may have up too a double car garage. The location of the Common Elements to which each Unit has direct access are shown on Exhibit B.

Exhibit C (Floor Plans) depicts the layout, location, Unit number and dimensions of Units 1**,** and 2, which comprise Phase I**.** As additional phases are added, an amendment and floor plans shall be recorded in the Town of Jericho Land Records.

Exhibit D is a list of Units and the value and percentage of undivided interest in the Common Areas and Facilities (the "Common Elements") including voting rights allocated to each Unit. The undivided interest in the Common Elements and

the liability for Common Expenses shall be calculated by a fraction using one as a numerator and the total number of Units actually built as the denominator.

Section 1.04 Unit Boundaries.

Each Unit consists of the space within the following boundaries:

A. *Upper and lower (horizontal boundaries):* The upper and lower horizontal boundaries of the Units shall be the following boundaries extended to an intersection with the vertical (perimetric) boundaries.

(i) Upper Boundary: The horizontal plane of the bottom surface of the second story ceiling joists of the Unit.

(ii) Lower Boundary: The horizontal plane of the top of the concrete basement slab.

B. *Vertical (perimetric) Boundaries:* The vertical boundaries of the Unit shall be the vertical plane, which includes the inner most surface of the wall studs bounding the Unit extended to intersection with each other and with the upper and lower boundaries.

C. If any chimney, fire duct, wire, conduit, bearing wall, bearing column or any other fixture lies partially within and partially outside the designated boundaries of any Unit, any portion thereof serving only that Unit is a Limited Common Element allocated solely to that Unit, and any portion of the Common Elements is a part of the Common Elements. Subject to the foregoing, all spaces, interior partitions, and other fixtures and improvements within the boundaries of a Unit are a part of the Unit.

D. Any shutters, awnings, window boxes, doorsteps, stoops, porches, balconies, patios and all exterior doors and windows or other fixtures or improvements designed to serve a single Unit, but located outside the Unit's boundary, are Limited Common Elements allocated exclusively to that Unit.

ARTICLE II

Development Rights and Other Special Declarant Rights

Section 2.01 Reservation of Development Rights and Special Declarant Rights

The Declarant reserves the following Development Rights and Special Declarant Rights for itself and its successors in interest and assigns:

A. The right to complete or make improvements indicated on the current and any future Plats and Plans. The right to create a maximum of 6 Units on the Common Elements, the right to create Limited Common Elements and the right to maintain signs on the Common Elements to advertise the Condominium.

B. The right to use, and permit others to use, easements and rights of way through the Common Elements as may be reasonably necessary for the purpose of completing all phases in the project, and for the purpose of discharging the Declarant's obligations under the Act and this Declaration. The Right to construct underground utility lines, pipes, wires, ducts, conduit and other facilities across the land in the Condominium for the purpose of furnishing utility and other services to buildings and other improvements within those easements to public utility companies and to convey improvements within those easements anywhere in the Condominium for the above mentioned purposes.

Section 2.02 *Declarant Control of the Association.*

A. Subject to Subsection 2.02(B), there shall be a period of Declarant control of the Association, during which the Declarant, or persons designated by it, may appoint and remove the officers and members of the Board of Directors. The period of Declarant control shall terminate no later than the earlier of:

(i) Sixty (60) days after conveyance of sixty-six and 6/10th repeating *(66.6666)* percent of the Units that may be created in all phases (4 Units) to Unit Owners other than a Declarant;

(ii) Two (2) years after Declarant or its successors in interest has ceased to offer Units for sale in the ordinary course of business; or

(iii) Two (2) years after any right to add new Units was last exercised.

A Declarant may voluntarily surrender the right to appoint and remove officers and members of the Board of Directors before termination of that period, but in that event the of the Association or Board as described in a recorded instrument executed by the Declarant be approved by the Declarant before they become effective.

B. At least 25 percent of the members of the Board of Directors shall be elected by Unit Owners who are not the Declarant within 60 days after the fourth unit is conveyed to Unit Owners other than the Declarant.

C. Not later than the termination of any period of Declarant control, the Unit Owners shall elect the Board of Directors of not less than three (3) members, at least a majority of who shall be Unit Owners. The Board shall elect the officers. The Board of members and officers shall take office upon election.

D. Notwithstanding any provision of this Declaration or the Bylaws to the contrary, the Unit Owners, by a two-thirds vote of all persons present and entitled to vote at any meeting of the Unit Owners at which a quorum is present, may remove any member of the Board with or without cause, other than a member appointed by the Declarant.

Section 2.03 Declarant's Personal Property.

The Declarant reserves the right to retain all personal property and equipment used in the sales, management, construction and maintenance of the premises that has not been represented as property of the Association. The Declarant reserves the right to remove from the Property, any and all goods and improvements used in development, marketing and construction, whether or not they have become fixtures. This does not apply to personal property, equipment or a fixture in a unit that has been sold.

Section 2.04 Construction; Declarant Easement.

The Declarant reserves the right to perform warranty work, and repairs and construction work, and to store materials in secure area in Units and Common Elements, and the further right to control all such work and repairs, and the right of access thereto, until its completion. All work may be performed by the Declarant without the consent or approval of the Board. The Declarant has such an easement through the Common Elements as may be reasonably necessary for the purpose of discharging the Declarant's obligations or exercising Special Declarant Rights, whether arising under the Act or reserved in this Declaration.

Section 2.05 Interference with Special Declarant Rights.

Neither the Association nor any Unit Owner may take any action or adopt any rule that will interfere with or diminish any Development or Special Declarant Right without the prior written consent of the Declarant.

Section 2.06 Limitations on Development Rights.

The Development Rights reserved in Section 2.10 are limited as follows:

A. The Development Rights may be exercised at any time, but not more than seven (7) years after the recording of the initial Declaration.

B. In addition to the first two (2) Units, (Units # *1,* # 2) not more than nine (4) additional Units may be created in one or more phases.

C. The size and quality of construction of any buildings and improvements to be created on the Property will be, consistent with the size and quality of those constructed pursuant to this Declaration as initially recorded. In addition, the style of construction in future phases may be different, although in keeping with the general style of buildings constructed in the first phase.

D. All Units and Common Elements created pursuant to the Development Rights will be restricted to residential use in the same manner and to the same extent as the Units created under this Declaration as initially recorded.

E. All Units and Common Elements created will adhere to the Town of Jericho Zoning Permit and Conditions as applicable to the PUD Permit for Old Morgan Orchard received on _____ 2016.

Section 2.07 Phasing of Development Rights.

No assurances are made by the Declarant regarding the portions of the areas shown on the survey, as to the portions where the Declarant will exercise its Development rights, or the order in which such portions, or all of those areas, will be developed. The exercise of Development Rights as to some portions will not obligate the Declarant to exercise them as to other portions. Specifically, any part of either Phase 1 or additional phases may be declared as Units on the Common Elements without declaring the remaining parts.

Section 2.08 Limitations on Special Declarant Rights.

Unless sooner terminated by a recorded instrument signed by the Declarant, any Special Declarant Right may be exercised by the Declarant for the period of time specified in the Act.

Section 2.09 Declarant's Right to Build Less Than 6 Units.

Declarant shall have the absolute right, in its sole discretion, to not build Units in future phases, and to declare the Condominium "fully built-out," even though less than 6 Units have been built and added to the Condominium. In that event, Declarant shall record an amended Declaration in less than 6 Units, and

permanently establish the final percentage interest of each Unit Owner in the Common Elements, and the corresponding percentage of liability for Common Expenses. In addition, that amended Declaration shall establish the total number of votes in the Association for all voting purposes. Once Declarant records an amended Declaration pursuant to this Section 2.09, Declarant's voting interest and Declarant's liability for future Common Expenses for any Unit not completed and previously added to the Condominium in an amended Declaration, and owned by the Declarant, shall terminate.

Section 2.10 Successors in Interest.

The term Declarant includes the successors in interest or assigns of Declarant.

ARTICLE III

Common Areas and Facilities

Section 3.01 Common Elements.

The "Common Elements" include the Limited Common Elements and consist of all the Property identified on Exhibit A, Exhibit B and Exhibit C, except Units. The Common Elements shall remain undivided and shall be devoted to the common use and enjoyment of all Unit Owners. No Unit Owner nor any other person shall maintain any action for partition or division thereof, unless, the property has been removed from the provision of this Declaration pursuant to the Act. Each Unit Owner may use the respective Common Elements in accordance with the purposes for which they were intended without hindering or encroaching upon the lawful rights of other Unit Owners. The Common Elements include, without limitation, the following:

A. The land described herein, including the real estate upon which the Buildings and other improvements are located, together with the benefit, and subject to, all rights, easements, restrictions and agreements recorded in the Land Records of the Town of Jericho;

B. A right of way, in common with others, over all private roadways shown on the Site Plan for vehicular and pedestrian traffic;

C. All improvements and portions of the Buildings, except those portions identified as Units.

Section 3.02 Limited Common Elements.

A "Limited Common Element" is a portion of the Common Elements allocated for the exclusive use of one or more, but fewer than all of the Units.

A. Balconies, terraces and fences, and yards, if any, adjacent to any Unit, are Limited Common Elements appurtenant to the Unit. A Unit Owner shall be responsible for the cost of the maintenance and repair of the Limited Common Elements allocated to the Unit.

B. Any shutters, awnings, window boxes, doorsteps, stoops, porches, balconies, patios and all exterior doors and windows, equipment storage areas, closets or other fixtures or improvement designated to serve a single Unit, but located outside of the Unit's boundaries, and any parking spaces outside the Unit's boundaries allocated to the Unit at the time of purchase, are Limited Common Elements allocated exclusively to that Unit.

Section 3.03 Changes of or within Limited Common Elements.

A. Any change that a Unit Owner desires to make within a Limited Common Element allocated to that Unit as defined in Section 3.02, must first be approved by the Board of Directors following the submission of the Board by the Unit Owner of a request therefor with a complete description of the proposed change and such other information as the Board may need and desire.

B. If the Board finds that the change as proposed will not adversely affect or be an unreasonable intrusion on the abutting and adjacent Unit Owners and will be consistent with and not contrary to any provisions of the Declaration or of its Amendments or the Bylaws of the Association, it may grant the request and approve the change. It shall do so in the form of a Permit which shall be subject to such conditions as the Board deems necessary or desirable including or concerning;

(i) The appearance, positioning, possible intrusions on others, maintenance, repairs and replacement of such changes and payment of the cost thereof;

(ii) Provisions which will create a public record of the change by having the Permit with the approval and conditions recorded with the Land Records of the Town of Jericho so that subsequent owners of the Unit will have notice thereof; all costs incident thereto to be paid by the Unit Owner.

(iii) Energy Efficiency Standards that the Units must meet through Certification by accepted 3rd party verification.

ARTICLE IV

Occupancy and Use Restrictions

Section 4.01 Residential Use.

Each Unit shall be used solely for single family residential purposes and no trade or business of any kind may be carried on therein (except customary home occupations not inconsistent with the residential nature of the Property, the Declaration, the Bylaws, or the Rules and Regulations) without written approval by the Board of Directors (the lease or rental of any Unit for residential purposes shall not be considered to be carrying on a trade or business).

Section 4.02 Alterations of Units.

No improvement or alteration to any Unit may be made which impair the structural integrity or mechanical systems or lessen support of any portion of the Property or any Building. Without the prior consent of the Board of Directors, the appearance of the Common Elements or the exterior appearance of the Common Elements or the exterior appearance of any Unit or Building may not be changed. No Unit may be subdivided or converted into two or more Units.

Section 4.03 Interference with Others.

No Unit shall be used or maintained in a manner which shall interfere with the comfort or convenience of occupants of other Units or the provisions of the Bylaws.

Section 4.04 Vehicle Restrictions.

There shall be no operation of snowmobiles, dune buggies, motorcycles, all-terrain vehicles on the Common Elements.

Section 4.05 Landscaping and Maintenance.

Landscaping in the Common Elements shall be maintained by the Association substantially as approved by the Board of Directors from time to time.
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Section 4.06 Driveway and Parking Area Maintenance.

The Association shall be responsible for maintaining, repairing and plowing the driveways and designated parking areas. The Association shall also be responsible for maintaining the street lights and any utilities not maintained by the the Town of Jericho. The owner of each Unit, by acceptance and recordation of a

deed conveying the Unit, does automatically and irrevocably waive any right to demand the Town of Jericho or any other municipal or state entity to take over the responsibilities of the Association as set forth in this paragraph.

Section 4.07 Reserve Fund for Maintenance and Repairs.

The monthly Association assessments shall include sufficient funds to enable the Association to maintain an adequate reserve fund for the maintenance and repair of the parking areas, driveways, landscaping and Open Space areas.

Section 4.08 Reserve Fund of Maintenance and Repairs.

The monthly Association assessments shall include sufficient funds to enable he Association to maintain an adequate reserve fund for the maintenance and repair of the parking areas, driveways, private roadways, landscaping and Open Space areas.

Section 4.09 Pets.

Each Unit shall be allowed to keep a maximum of two dogs and or domestic cats. The Board of Directors may modify this allowance at anytime in the future by a majority vote.

ARTICLE V

Easements

Section 5.01 Easements for Access.

Each Unit owner is hereby granted an easement, in common with each other Unit owner, for ingress and egress though all Common Elements, subject to such reasonable rules, regulations and restrictions as may be imposed by the Association.

Each Unit is hereby benefitted by and subjected to an easement for ingress and egress though all Common Elements by persons lawfully using or entitled to the same. Such easements and rights are subject to the limitations upon the use of the Limited Common Elements as otherwise set forth herein.

Section 5.02 Easement for Encroachment.

To the extent that any Unit or Common Element unintentionally and non-negligently encroaches on any other Unit or Common Element, an easement for the encroachment shall exist.

Section 5.03 Easement for Completion; Utilities.

Declarant, for itself its successors and assigns, and the Association, hereby reserves an easement through, in, over, under or across the Property for the purposes of completing or making improvements to the Property, as identified on the Plan and to erect and remove signs advertising Units for sale or lease within the Property. Declarant also reserves the right to grant and reserve easements and right of way through, under, over and across the Property for the installation, maintenance and inspection of lines and appurtenances for public or private sewer, water, drainage, gas, electricity, telephone, cable television and other utilities to service the Property.

Section 5.04 Upkeep of Condominium.

The association shall be responsible for maintenance, repair and replacement of the Common Elements including any pedestrian path and recreational facilities. Each Unit Owner shall be responsible for the maintenance, repair and replacement of his Unit, except as stated otherwise in the Bylaws, the Declaration or the Act. Each Unit Owner shall afford to the Association and the Unit Owners, and their agents, or employees, access in, through or across his Unit reasonably necessary for those purposes. If damages are inflicted on the Common Elements or any Unit across, in or through which access is taken, the Unit Owner responsible for the damage, or the Association if it is responsible, shall promptly repair such damage. In addition, the Board of Directors of the Association shall have the right (without submitting the same to the Unit owners for approval) to authorize the appropriate Officers of the Association to grant permits, licenses and easements over and through the Common Elements for utilities, roads and other purposes for the proper operation and benefit of the Property, provided, however, all such easements shall be subordinate to the liens and rights of all mortgages and deeds of trust recorded prior in time thereto unless the mortgagee or trustee shall join therein.

Section 5.05 Easement for Support.

Each Unit and the Common Elements shall have an easement for lateral and sub-adjacent support from every other Unit and the Common Elements.

ARTICLE VI

Damage or Destruction

Section 6.01 Common Elements.

Any portion of the Common Elements, which is damaged or destroyed shall be properly repaired or replaced by the Association unless the repair or replacement would be illegal under any State or local health or safety statute or ordinance, or the condominium is terminated.

Section 6.02 Units.

If any portion of the Common Elements which is damaged or destroyed, the damaged portion shall be promptly repaired or replaced by the Association, and if any portion of any Unit shall be damaged or destroyed, the damaged portion shall be promptly repaired or replaced by the owner of such Unit, unless; (a) repair or replacement would be illegal under any State or local health or safety statute or ordinance; or (b) eighty percent (80%) of the Unit Owners, including the owners of all Units and the owners of any Limited Common Elements which will not be rebuilt, vote not to rebuild; or (c) the Condominium is terminated. In the event that the damage or destruction is limited to the interior of a Unit or a Limited Common Element, then the owner of the Unit or Limited Common Element, as the case may be, shall promptly repair or replace the damaged portion.

Section 6.03 Insurance.

The Association shall maintain, to the extent available, casualty and extended coverage property insurance on the Common Elements and Units, exclusive of the betterments an improvements installed in Units by Unit Owners, insuring against all risks of direct physical loss commonly insured against and comprehensive general liability insurance, all in such amounts as the Association shall determine from time to time.

Any loss covered by insurance shall be adjusted by the Association which shall hold the proceeds in trust for the Unit Owners and lien holders as their interest may appear. In the event of repair or replacement, the proceeds shall be disbursed first for repair or replacement. The cost of repair or replacement of a Common Element, in excess of insurance proceeds and reserves, if any, shall be a Common Expense.

ARTICLE VII

Condemnation

Section 7.01 Common Elements.

If any portion of the Common Elements is taken by condemnation, the Condominium shall not terminate unless eighty percent (80%) of the Unit owners so vote. The Association shall divide any portion of the award not used for any restoration or repair of the remaining Common Elements before the condemnation, but the portion of any award attributable to the acquisition of a Limited Common Element shall be divided equally among the owners of the Units to which the Limited Common Element was allocated at the time of acquisition.

Section 7.02 Units.

Upon acquisition by condemnation of any Unit or such a part of a Unit that the Unit Owner is left without a remnant which may not practically or lawfully be used for any purpose permitted by this Declaration, that Unit's entire Common Element interest shall be reallocated to the remaining Units in proportion to the respective interest of those Units prior to condemnation, and the Association shall promptly prepare, execute and record an amendment to the Declaration reflecting the reallocation. The Common Element interest remaining after part of a Unit is taken, thereafter shall be a Common Element.

ARTICLE VIII

The Condominium Association

Section 8.01 Authority.

The business affairs of the Condominium Association shall be managed by the Old Morgan Orchard LLC (the "Association") or its successors. The Association shall be governed by its Bylaws, as they may be amended from time to time.

Section 8.02 Membership.

The legal owners of each Unit in the Condominium, shall be members of the Association, and the Association shall at all times consist exclusively of all the legal Unit Owners or, following termination of the Condominium, of all Unit owners then owning as tenants in common. Each Unit Owner's membership shall terminate upon transfer of the Unit Owner's interest in the Unit. Association members shall be entitled to one (1) vote for each Unit owned. There are a total of 6 votes, all held by the Declarant. As each Unit is sold, the Declarant will have one less vote in the Association. If the Declarant builds fewer than 6 Units and terminates its Development Rights, then the total number of votes will be reduced accordingly.

Section 8.03 Powers.

The Association shall have all the powers, authority and duties permitted pursuant to the Act, this Declaration, the Bylaws and the Rules and Regulations promulgated thereunder, necessary or appropriately necessary to manage the business and affairs of the Condominium and to collect assessments, pursuant to 27A V.S.A. Section 3-116.

Section 8.04 Common Expenses.

As described in the attached Bylaws of Old Morgan Orchard LLC, the Association Board of Directors shall set the annual budget to pay for the Common Expenses. The Common Expenses for each Unit Owner shall not exceed the

proportionate share allocated to that Unit assuming a full build-out of the six (6) Units. Common Expenses shall be allocated among the Unit Owners in accordance with Article 1 of this Declaration. Pursuant to 27A V.S.A. Section 3-116 the total annual assessment of each Unit Owner for Common Expenses or any special assessment of any other sum duly levied and any late charges and costs of collection is a lien levied against the Unit of such Unit Owner.

Section 8.05 *Power of Attorney.*

Every Unit Owner irrevocably appoints the Association or its authorized agents as their attorney-in-fact to represent all Unit Owners in any proceedings, negotiations, settlements, or agreements with respect to handling any losses or proceeds from condemnation, destruction, liquidation or termination of all or part of the Condominium. This appointment shall be deemed a power coupled with an interest and shall survive a Unit owner's disability, death or dissolution.

ARTICLE IX

Compliance and Default

Section 9.01 Compliance.

Each Unit owner shall be governed by and shall comply with the provisions of the Declaration and the Bylaws of the Association, and resolutions, rules, or regulations promulgated by the Board of Directors of the Association, and similar instruments, as the same may be amended from time to time. In addition to the remedies provided by the Act, the Declaration, or the Bylaws, the failure of a Unit owner to comply with any of said requirements shall entitle the Association, acting through its Board of Directors or through its Management Agent or an aggrieved Unit owner, to the following relief, after appropriate notice to the defaulting Unit owner and an opportunity for such Unit owner to be heard.

A. *Liability:* A Unit owner shall be liable for the expense of any maintenance, repair or replacement rendered necessary by his act, neglect or carelessness or by that of any his guest, employees, agents, lessees or invitees. No Unit owner shall conduct any activity which may result in an increase in insurance rates appurtenances, or of the Common Elements.

B. *Fines:* The board of Directors of the Association shall have the right to impose upon a defaulting Unit owner a reasonable fine, commensurate with the severity of the violation of any of the provisions of the above-referenced documents, which fine shall become a continuing lien against the Unit of the defaulting Unit owner enforceable in the manner provided by the Act and the Bylaws.

C. *Injunctions:* The Board of Directors of the Association and or any aggrieved Unit owner shall have the right to abate, enjoin or remedy by appropriate legal proceedings, either in law or in equity, the continuance of any violation of the provision of the above-referenced documents, including, without limitation, an action to recover any sums due for money damages, injunctive relief, foreclosure of the lien for payment of all assessments, any combination thereof, and any other relief afforded by a court of competent jurisdiction. Such remedies shall be deemed cumulative and shall not constitute an election of remedies. The failure of the Association or its Board of Directors to enforce any rights, covenants, or conditions of the Condominium shall not constitute a waiver of the right to enforce such rights, covenants, or conditions in the future. There shall be, and there hereby is created and declared to be, a conclusive presumption that any violation or breach, or any attempted violation or breach, of any of the covenants and restrictions of the Declaration or Bylaws shall so damage the community and its property values that it cannot be adequately remedied by action at law or exclusively by recovery of damages.

D. *Costs and Attorney's Fees:* In any proceeding arising because of an alleged failure of a Unit owner to comply with the terms of this Declaration, the Bylaws, or the Rules and Regulations of the Association, the prevailing party shall be entitled to recover the costs of the proceeding and reasonable attorney's fees.

Section 9.02 Rights of the Unit Owner.

Each Unit owner shall have a right of action against the Association for failure of the Association to comply with the provisions of the Project Documents or the decisions made by the Association.

Section 9.03 Waiver.

No provisions of this Declaration shall be deemed to have been waived by reason of any failure to enforce regardless of the occurrence of violations or breaches from time to time.

ARTICLE X

Amendments

Section 10.01 Proposals of Amendments.

Amendments to this Declaration and the Bylaws may be proposed only by the Board of Directors, or by petition signed by the Unit owners representing at least twenty-five percent *(25%)* of the total votes of the Unit owners. A description of any proposed amendment shall accompany the notice of any regular or special meeting at which such proposed amendment is to be voted upon.

Section 10.02 Method of Amendment.

Except in cases for which the laws of Vermont or this Declaration provide different methods of amendment or require a larger majority, the Declaration and Bylaws may be amended only by the agreement of at least sixty-seven percent (67%) of the Unit owners and at least fifty- one percent (51%) of the votes of Unit Estates that are subject to mortgages held by Institutional Mortgagees.

Notwithstanding the foregoing, no amendment shall become effective which in any way reduces the rights granted to Institutional Mortgagees as are affected thereby without the express written consent of each such effected Institutional Mortgagee, and no amendment shall become effective which limits the rights granted to Declarant by this Declaration or by the Bylaws without the express written concurrence of Declarant to such amendment.

Section 10.03 Amendments Required by Institutional Mortgagees.

The Declaration and Bylaws may be amended by affirmative vote of a majority of the Board of Directors of the Association at any regular or special meeting, without further action of the Unit owners or Mortgagees, where such amendment is necessary in order to comply with any requirement of the Institutional Mortgagees, any law, regulation, ordinance, or judicial determination, or if such amendment is necessary to enable a licensed title insurance company to issue title insurance coverage with respect to any Unit; PROVIDED HOWEVER, that where such an amendment in any way reduces the significant rights granted to any Institutional First Mortgagee by the Declaration or Bylaws, the Concurrence of all such affected Institutional First Mortgagees to such amendment shall be required.

Section 10.04 Individual's Consent.

Except as set forth in Article X hereof, no amendment which alters the dimensions of any Unit or which alters the percentage of the Common Element Interest to which any Unit is entitled or the Limited Common Elements appurtenant to a Unit shall be valid unless the same has been signed or consented to by the Unit owner so affected.

ARTICLE XI

Rights Related to Mortgagees

Section 11.01 Notice of Action.

Upon written request to the Association from any Institution Mortgagee, identifying its name and address and the Unit number or address, such Institutional Mortgagee shall be entitled to timely written notice of:

Any condemnation loss or any casualty loss which affects any material portion of the Project or any Unit Estate on which there is a first mortgage held, insured or guaranteed by such qualified requesting party;

Any delinquency in the payment of assessments or other charges by an owner of a Unit subject to a first mortgage held or insured by such party, which delinquency remains uncured for a period of sixty (60) days;

Any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association.

ARTICLE XII

Miscellaneous

Section 12.01 Invalidity.

If any provision of this Declaration is held invalid, the invalidity thereof shall not effect other provisions of this Declaration which can be given affect without the invalid provisions, and to this end the provisions of this Declaration are severable.

Section 12.02 Waiver.

No provisions of this Declaration shall be deemed to have been waived by reason of any failure to enforce, regardless of the occurrence of violations or breaches from time to time.

Section 12.03 Headings.

The headings in this Declaration are for purposes of reference only and shall not limit or otherwise affect the meaning hereof.

Section 12.04 Agent

The person who shall receive service for process as required by the Act is William Veve whose address is: P.O. 1088, Jericho Ctr., Vermont, *05465,* or the President of Old Morgan Orchard Homeowner Association.

IN WITNESS WHEREOF, KCS LLC has caused this Declaration of Condominuim of Old Morgan Orchard to be executed by its Duly Authorized Agent William Veve this _____ day of _____ , 2016.

IN PRESENCE OF:

KCS, LLC

_____
Witness

By: _____
William Veve, Duly Authorized Agent

STATE OF VERMONT
COUNTY OF _____, SS.

On this _____ day of _____, 2016, personally appeared _____, in his capacity as the Duly Authorized Agent of KCS LLC, to me known to be the person who executed the foregoing instrument, and he acknowledged this instrument, by him signed, to be his free act and deed and the free act and deed of KCS, LLC.

Before me, _____
Notary Public

Printed Name: _____

My commission expires: _____

EXHIBIT A

Description of Old Morgan Orchard
Condominium

Phase I - Units 1-2

Being Units 1-2 in Phase I of Old Morgan Orchard, as shown and depicted on the Plan entitled: "_____" prepared by _____, Project No._____, recorded in Map Volume _____ at Page _____ and the floor plans for Units 1 and 2 entitled: "_____" recorded on Map Volume _____ at Pages _____ of the Town of Jericho Land Records.

The land upon which said units are located is more particularly described as follows:

Being all and the same lands and premises conveyed to Danielle Dole Duquette by Trustee's Deed of Sun Trust Bank, a/k/a Sun Trust Bank, Gulf Coast, dated October 8, 2003 and recorded on October 27, 2003 in Volume 229, Page 385 of the Land Records of the Town of Jericho.

Being a parcel of land containing 6. 2 cares, more or less, depicted as "Lands Retained by Danielle Dole Duquette" as depicted on a plan entitled "Boundary Line Adjustment Between Danielle Dole Duquette and Donald A. Majercik, Jericho, Vermont" by Michael J. Patterson, L.S. dated November 2007 and recorded at Map Slide 358B of the Land Records of the Town of Jericho.

EXCEPTED AND RESERVED is all and the same lands and premises conveyed to Donald A. Majercik and Patricia S. Nolan by Warranty Deed of Danielle Dole Duquette dated January 10, 2008 and recorded on January **11,** 2008 in Volume 266 at Page 40 of the Land Records of the Town of Jericho.

Reference is made to the above-mentioned instruments, the records thereof, the references made therein and their respective records and references, all in further aid of this description.

The herein described land and premises is subject to and benefitted by the following:

List easements etc….

EXHIBIT B

Site Plan

EXHIBIT C

Floor Plans

CERTIFICATE OF COMPLIANCE

Pursuant to 27A V.S.A. Section 2-101(b), reference is made to the Occupancy Permit dated _____, recorded herewith, issued by the State of Vermont Department of Labor and Industry Fire Prevention Division, as to the substantial completion of the structural and mechanical systems of Units No. 1 and 2.

EXHIBIT D

PHASE I

Unit	**Value**	**% Interest in Common Elements**
1	1	50%
2	1	50%

As additional phases are added, am amendment shall be recorded in the Town of Jericho Land Records reflecting the value of added units together with the determination of the % Interest in the Common Elements using the formula of one being the numerator and the total number of units included in the condominium as the denominator.

Each unit shall have one vote in the Association, prior to the sale of any units; the Declarant shall hold all six (6) votes.

CERTIFICATE OF SUBSTANTIAL COMPLETION

Project: Old Morgan Orchard
Declarant: KCS LLC
Unit: 1
Street Address**:** 1 Oriel Orchard Lane, Jericho Vermont, 05465

Pursuant to 27A V.S.A. §4-120, the undersigned, _____ Licensed Professional Engineer, licensed in the State of Vermont, employed by _____, has visually inspected Unit *#1* on _____ 2016. The unit is shown on a plat entitled "_____ Floor Plans Certification recorded in Map Volume _____,Page _____, of the Town of Jericho Land Records. No observations were made during construction other than on _____ 2016. The substantial completion certificate of Unit *#1* does not encompass or address the adequacy of building design, structural components, or mechanical systems.

On _____, 2016 I verified the existence of the following structural components; concrete foundation, first floor, second floor, asphalt roof, exterior walls, and siding.

In addition, I verified water was available at the following plumbing fixtures and that no obstructions in the discharge of the wastewater were observed; first floor bathroom sink and toilet, kitchen sink, second floor bathroom sink, toilet and bath shower.

The heating system was tested by sensing heat distribution after thermostat was turned on.

Dated at _____, Vermont, this ___ day of _____, 2016.

By: _____
XYZ Licensed P.E.

OLD MORGAN ORCHARD LLC

BYLAWS

ARTICLE I

PLAN OF UNIT OWNERSHIP

Section 1.01 Name.

The name of the Association is Old Morgan Orchard LLC. an incorporated association, and hereinafter referred to as either "Association" or "Corporation".

Section 1.02 Applicability.

The provisions of these Bylaws are applicable to the Condominium and to the use and occupancy thereof. The term "Property" as used herein shall include the land, the building and all other improvements thereon (including the Units and the common areas and facilities) owned in fee simple absolute, and all easements, rights and appurtenances belonging thereto, and all of which have been submitted to the provisions of said 27A V.S,A. Chapter 17, known as the Vermont Common Interest Ownership Act (The "Act").

Section 1.03 Compliance.

All presents and future Unit Owners, mortgages and lessees of Units and their employees, and agents are and shall be subject to the Articles of Association, these Bylaws, the Declaration and the rules and regulations made in accordance therewith.

The acceptance of a deed or conveyance, or the entering into a lease, or the fact of occupancy of a Unit, shall constitute an agreement by the Owner, Lessee or Mortgagee that the Articles of Association, these Bylaws, and the provisions of the Declaration, as they may be amended from time to time, are accepted, ratified, and will be complied with.

Section 1.04 *Office.*

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

Section 1.05 *Definitions.*

Each capitalized term used herein without definition shall have the meanings specified in the Vermont Common Interest Ownership Act (The "Act").

ARTICLE II

OLD MORGAN ORCHARD LLC

Section 2.01 Composition.

The Association shall consist of all of the Unit Owners acting as a group.

For all purpose the Association shall act merely as an agent for the Unit Owners as a group. The Association shall have the responsibility for administrating the Condominium, establishing the means and methods of collecting assessments and charges, arranging for the management of the Condominium and performing all of the other acts that may be required or permitted to be performed by the Association by the Act and the Declaration. Except as to those matters which the Act specifically requires to be performed by the vote of the Association, the foregoing responsibilities shall be performed by the Board of Directors or their designee.

Section 2.02 *Annual Meetings.*

The annual meetings of the Association shall be held on the second Tuesday in June each year, unless such date shall occur on a holiday, in which event the meeting shall be held on the succeeding day. At such annual meetings the Board of Directors shall be elected by ballot of the Unit Owners. The Unit Owners may transact such other business at such meetings as may properly come before them.

Section 2.03 *Place of Meeting.*

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

Section 2.04 *Special Meeting.*

The President shall call a special meeting of the Association upon a petition signed and presented to the Secretary by Unit Owners with not less than twenty-five percent of the aggregate votes in the Association. 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 2.05 *Notice of Meeting.*

It shall be the duty of the Secretary to mail a notice of each annual meeting, other than the first annual meeting, and each special meeting of the Unit Owners, at least seven (7) but not more than fourteen (14) days prior to such meeting, stating the time and place where it is to be held, and in the case of special meetings, the purposes thereof, such notice to be mailed to each Unit Owner of record, at the Corporation address or at such other address as such unit Owner shall have designated by notice in writing to the secretary. The mailing of a notice of meeting in the manner provided in this section shall be considered service of notice.

Section 2.06 *Conduct of Meeting.*

The President shall preside over all meetings of the Association and the Secretary shall keep the minutes of the meeting and record in a minute book all resolutions adopted at the meeting as well as a record of all transactions occurring thereat. Then current edition of Robert's Rules of Order shall govern the conduct of all meetings of the Association and the Board of Directors when not in conflict with the Bylaws, the Declaration or the Act.

Section 2.07 *Title to Units.*

Title to units may be taken in the name of an individual or in the name of two or more persons as tenants in common, joint tenants with right of survivorship, or as tenants by the entirety, or in the name of a corporation, partnership, or fiduciary.

Section 2.08 *Adjournment of Meeting.*

If at any meeting of the Association a quorum is not present, Unit 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 that forty-eight hours after the time the original meeting was called.

Section 2.09 *Voting.*

Each Unit Owner is entitled to one (1) vote, regardless of the Common Element interest assigned to such Unit. The Owner or Owners of each Unit, or some person designated by such Owner or Owners to act as proxy on his/her or their behalf and who need not be an Owner, shall be entitled to cast the voting shares appurtenant to such Unit at all meetings of Unit Owners or by his/her attorney in fact. The designation of any such proxy shall be made in writing to the secretary and shall be revocable at any time by written notice to the secretary by the Owner or Owners so designating, except where an irrevocable proxy is permitted by statue. No proxy shall be valid after the expiration of eleven (11) months from the dated of its execution, unless otherwise provided therein. Any or all of such Owners may be present at any meeting of the Unit Owners and, those constituting a group acting unanimously, may vote or take any other action as a Unit Owner either in person or by proxy. Unit Owners (including the Board of Directors if the Board of Directors or its designee shall then hold title to one or more Units) shall be entitled to cast a number of votes at all meetings oft he Unit Owners equal to the number of Units owned, regardless of the Common Elements interest assigned to such Unit. A fiduciary shall be the voting member with respect to any Unit owned in a fiduciary capacity.

Section 2.10 *Majority of Unit Owners.*

As used in these Bylaws, the term "majority" of voting shares shall mean more than fifty percent (50%) of the total authorized voting shares of all Unit Owners present in person or by proxy and voting at any meeting of the Unit Owners at which a quorum is present.

Section 2.11 *Quorum.*

Except as otherwise provided in these Bylaws, the presence in person or by proxy of a majority of the total authorized voting shares of all the Unit Owners shall constitute a quorum at all meetings of the Unit Owners.

Section 2.12 Majority Vote.

The vote of a majority of voting shares at a meeting at which a quorum shall be present shall be binding upon all Unit Owners for all purposes except where, in the Declaration or these Bylaws or by law, a higher percentage vote is required.

Section 2.13 *Consent.*

Whenever by a provision of statue or by these Bylaws or the Declaration, the vote of a Unit Owner is required or permitted to be taken at a meeting thereof in connection with any corporate action, the meeting and vote of the Unit Owners may be dispensed with, if all of the Unit Owners who would have been entitled to vote upon the action if such meeting were held shall consent in writing to such corporate actions being taken.

ARTICLE III

BOARD OF DIRECTORS

Section 3.01 *Number and Qualification.*

The affairs of the Association shall be governed by a Board of Directors composed of not less than three (3) persons, all of who shall be Unit Owners or spouses of Unit Owners. There shall be no more that one Board member per Unit.

Section 3.02 *Powers and Duties.*

The Board of Directors, or its designated managing agent shall have all of the powers and duties necessary for the administration of the affairs of the Association and may do all such acts and thins as are not prohibited by the Act, including the following:

A. Prepare and annual budget, in which there shall be established the assessments of each Unit Owner for the Common Expenses of the Condominium (the "Common Expenses").

B. Make assessments against Unit Owners to defray the costs and expenses of the Condominium, established the means and methods of collecting such assessments from the Unit Owners and establish the period of the installment payment of the annual assessment for Common Expenses. Unless otherwise determined by the Board of Directors, the annual assessment against each Unit Owner for his/her proportionate share of the Common Expenses shall be payable in equal monthly installments, each such installment to be due and payable in advance on the first day of each month for such month.

C. Provide for the operation, care, upkeep and maintenance of all of the property and services of the Condominium.

D. Designate, hire and dismiss the personnel necessary for the maintenance, operation, repair and replacement of the 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 against the Unit 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 Condominium.

F. Make and amend 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 improvement to or alterations of the Property, and repairs to and restoration of the Property, in accordance with these Bylaws, after damage or destruction by fire or other casualty, or as a result of condemnation or eminent domain proceedings.

I. Enforce by legal means the provisions of the Declaration, these Bylaws and the Rules and Regulations and act on behalf of the Unit Owners with respect to all matters arising out of an eminent domain proceeding.

J. Obtain and carry insurance against casualties and liabilities, as provided in these Bylaws, pay the premiums therefore and adjust and settle any claim thereunder.

K. Pay the cost of all authorized services rendered to the Association and not billed to Unit Owners of individual Units or otherwise provided for in Article V of these Bylaws.

L. Keep books with detailed accounts in chronological order of the receipts and expenditures affecting the Property and the administration of the Condominium specifying the expenses of maintenance and repair of the Common Elements and any other expenses incurred. Such books and vouchers accrediting the entries thereupon shall be available for examination by the Unit 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 Unit

Owners. All book and records shall be kept in accordance with good accounting practices.

M. Notify a mortgagee, if requested, of any default hereunder by the Unit Owner of the Unit subject to such mortgage, in the event such default continues for a period exceeding sixty days.

N. Borrow money on behalf of the Condominium when required in connection with any one instance relating to the operation, care, upkeep and maintenance of the Common Elements, provided however, that the consent of at least two-thirds in number of all Unit Owners, obtained at a meeting duly called and held for such purpose in accordance with the provisions by these Bylaws, shall be required to borrow any sum in excess of Two Thousand Five Hundred Dollars ($2,500).

O. Acquire, hold and dispose of Units and mortgagee the same if such expenditures and hypothecations are included in the budget adopted by the Association.

P. In its sole discretion, designate from time to time certain Common Elements as "Reserved Common Elements" and impose such restrictions and conditions on the use thereof as the Board of Directors deems appropriate. Levying fines against Unit Owners for violation of the rules and regulations established by it govern the conduct of the Unit Owners, provided, however, that no fine may be levied in an amount in excess of $100 for any one violation. But for each day a violation continues after notice, it shall be considered a separate violation. Such fines may be collected as if they were common charges owned by the unit(s) against whom the fines were levied. Where a Unit Owner is fined for an infraction of the rules and regulations and fails to pay the fine within ten (10) days after notification thereof, the Board may levy and additional fine or fines to enforce payment of the initial fine. Where a Unit Owner persists in violating the rules and regulations, the Board may require him or her to post a bond to secure future compliance with the rules and regulations; Controlling the use of all common elements including, but not limited to, designating parking spaces for use by the respective Unit Owners and leasing such common elements to third parties, provided, however, that no lease or other legal transaction shall be entered into without the approval of a majority of the Board of Directors.

Q. Controlling power shut offs and other interruptions of the normal functioning of the Corporation to facilitate renovation of particular units and/or of the common elements. In making determinations in this area, the Board will make every effort to disrupt the Unit Owners as little as possible under the circumstances then prevailing;

R. Review the books and records of the Association annually.

S. Do such other things and acts not inconsistent with the Act, the Declaration or these Bylaws that the Board of Directors may be authorized to do by a resolution of the Association.

Section 3.03 *Managing Agent.*

The Board of Directors may employ for the Condominium a "Managing Agent" or other personnel at a compensation to be established by the Board of Directors, to perform such duties and services as the Board of Directors shall authorize.

Section 3.04 *Elections and Term of Office.*

The term of office of a member of the Board of Directors shall be fixed at two years, but in order to stagger the terms of office for each director, at the initial election of Board members, one term shall be one (1) year, one term for two (2) years and one term for three (3) years. The members of the Board of Directors shall hold office until their respective successors shall have been elected by the Association.

Section 3.05 *Removal or Resignation of Members of the Board of Directors.*

At any regular or special meeting duly called, one or more of the members of the Board of Directors may be removed with or without cause by a Majority of the Unit Owners and a successor may then and there be elected to fill the vacancy thus created. Any director whose removal has been proposed by the Unit Owners shall be Given at least seven days notice of the time, place and purpose of the meeting and shall be given an opportunity to be heard at the meeting. A member of the Board of Directors may resign at any time and shall be deemed to have resigned upon disposition of his/her Unit.

Section 3.06 *Vacancies.*

A. Vacancies in the Board of Directors caused by any reason other than the removal of a director by a vote of the Association shall be filled by a vote of majority of the remaining directors at a special meeting of the Board of Directors held for such purpose promptly after the occurrence of any such vacancy, even though the directors present at such meeting may constitute less than a quorum. Each person so elected shall be a member of the Board of Directors for the remainder of the term of the member being replaced and until a successor shall be elected at the next annual meeting of the Association.

B. The Board of Directors may, at its discretion, fill a vacancy caused by the prolonged absence of a director. The Board shall be filled with and interim director by a vote if majority of the remaining directors. Each interim

director shall be a member of the Board of Directors until the original member is ready to return to the Board. Should the original member resign, then the interim director shall be member of the Board of Directors for the remainder of the term of the original member and until successor shall be elected at the next annual meeting of the Association.

Section 3.07 *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 every twelve months during each fiscal year. Notice of regular meetings of the Board of Directors shall be given to each director, by mail or telegraph, at least ten business days prior to the day named for such meeting.

Section 3.08 *Special Meetings.*

Special meetings of the Board of Directors may be called by the President on three business days notice to each director, given by mail, 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 like notice on the written request of at lease one director.

Section 3.09 *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 ofsuch notice. Attendance by a director at any meeting of the Board of Directors shall constitute a waiver of notice by him/her 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 *Telephone Meeting.*

Members of the Board of Directors and members of any committee designated by the Board of Directors may participate in a meeting of such board or committee by means of a conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting in such a manner shall constitute presence in person at such meeting.

Section 3.11 *Quorum.*

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

Section 3.12 *Compensation.*

No director shall receive any compensation form the Condominium for acting as such.

Section 3.13 *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 3.14 *Liability of the Board of Directors, Officers, Unit Owners 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 form and against all contractual liability to others arising out of contracts made by the officers or the Board of Directors on behalf of the Association unless any such contract shall have been made in bad faith or contrary to the provisions of the Act, the Declaration of these Bylaws. Officers and members of the Board of Directors shall have no personal liability to any Unit Owners with respect to any contract made by them on behalf of the Association. Every agreement made by the officers, the Board of Directors or the Managing Agent on behalf of the Association shall, of obtainable, provide that the officers, the members of the Board of Directors or the Managing Agent, as the case may be, are acting only as agents for the Association and shall have no personal liability thereunder (except as Unit Owners), and that each Unit Owner's liability thereunder shall be limited to the total liability thereunder multiplied by his/her Common Element interest.

B. The Association shall not be liable for any failure of water supply or other services to be obtained by the Association or paid for as a Common Expense, or for injury or damage to person or property caused by the elements or by the Unit Owner of any Unit, 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 from any pipe, drain, conduit, appliance or equipment. The Association shall not be liable to any Unit Owner for loss or damage, by theft or otherwise, of articles which may be stored upon any of the Common Elements. No diminution or abatement of any assessments, as herein elsewhere provided, shall be claimed or allowed for inconvenience or discomfort arising from the making of repairs or improvements to the Common Elements or from any action taken by the Association to comply with any law, ordinance or with the order or directive of any municipal or other governmental authority.

ARTICLE IV

OFFICERS

Section 4.01 *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 an assistant treasurer, an assistant secretary and such other officers as in its judgment may be necessary. All officers shall be Unit Owners, and shall be directors of the Association.

Section 4.02 *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 4.03 *Removal of Officers.*

Upon the affirmative vote of a majority of all members of the Board of Directors any officers 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 4.04 *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, with out limitation, the power to appoint committees from among the Unit Owners from time to time as the President may in his/her discretion decide is appropriate to assist in the conduct of the affairs of the Association.

Section 4.05 *Secretary.*

The Secretary shall perform the duties incident to the office of the Secretary or the Corporation and as required by the laws of the State of Vermont, including but not limited to the following:

A. The Secretary shall record all votes and proceedings of the Unit Owners and directors or any executive committee thereof.

B. The Secretary shall attend to the giving of notices of special meetings of the Board of Directors and of all of the meetings of the Unit Owners of the Corporation.

C. The Secretary shall be custodian of the records and seal of the Corporation.

D. The Secretary shall maintain an office in Jericho, Vermont or such other place as may be designated by the Board of Directors, where the corporate records of the Corporation shall be kept and shall procure and file in the Secretary's office certified copies of all paper required by law to be filed with the Secretary of State, except the annual report.

E. The Secretary shall maintain a book or record containing the names, alphabetically arranged, of all persons who are members of the Corporation, showing their places of residence, voting interest, and the times when they respectively acquired the Unit, and the times of any transfers thereof. The Secretary shall keep such book or record and the minutes of the proceedings of the members open daily during the usual business hours for inspection, within the limits prescribed by law, by any person duly authorized to inspect such records. At the request of the person entitled to an inspection thereof, the Secretary shall prepare and make available a current list of the officers and directors of the Corporation and their residences.

F. The Secretary shall attend to all correspondence and present to the Board of Directors at the meeting all official communications receive by the Secretary.

Section 4.06 *Treasurer.*

The Treasurer shall have the responsibility for Association funds and securities and shall be responsible for keeping full and accurate financial records and books of accounts showing all receipts and disbursements, and for the preparation of all required financial data, and shall report annually to the Unit Owners; make disbursements on behalf of the Association upon consent of the Board of Directors except as provided in Section 4.07; and be responsible for the deposit of all monies and other valuable effects in the name of the Board of Directors, the Association or the Managing Agent, in such depositories as may from time to time be designated by the Board of Directors; and in general, perform all the duties incident to the office of treasurer.

Section 4.07 *Execution of Documents.*

All agreements, contracts, deeds, leases, checks and other instruments of the Association for expenditures or obligations in excess of Two Thousand Five Hundred Dollars ($2,500), and all checks drawn upon reserve accounts, shall be executed by any two persons designated by the Board of Directors. All such instruments for expenditures or obligations of Two Thousand Five Hundred Dollars ($2,500) or less, except from reserve accounts, may be executed by the Treasurer or any one person designated by the Board of Directors.

Section 4.08 Compensation of Officers.

No officers shall receive any compensation from the Corporation for acting as such. However, notwithstanding the foregoing, nothing herein shall be deemed to prevent the employment or compensation of a person as managing agent or employee, or the services of such person who shall also be an officer, provided only

that such employment by approved by the Board of Directors and full disclosure thereof be made by the person so engaged.

ARTICLE V

OPERATION OF THE CONDOMINIUM

Section 5.01 *Determination of Common Expenses and Assessments Against Unit Owners.*

A. Fiscal Year. The fiscal year of the Association shall be January 1st to December 31st, unless otherwise determined by the Board of Directors.

B. Preparation and Approval of Budget

   i. For each Annual Meeting of the Association, the Board of Directors shall adopt a budget for the Association containing an estimate of the total amount considered necessary to pay the cost of maintenance, management, operation, repair and replacement of the Common Elements, and other expenses that may be declared to be Common Expenses by this Declaration the Act or the Bylaws or a Resolution of the Association and which will be required during the ensuing fiscal year for the administration, operation, maintenance and repair of the Property and the rendering to the Owners of all related services.

   ii. Such budget shall also include such reasonable amounts as the Board of Directors considers necessary to provide working capital, a general operation reserve and reserves for contingencies and replacements. With the notice of the Annual Meeting, the Board of Directors shall send to each Owner a copy of the budget in a reasonably itemized form which sets forth the amount of the Common Expenses and any special assessment payable by each Owner. Such budget shall constitute the basis for determining each Unit Owner's assessment for the Common Expenses of the Association.

C. Assessment and Payment of Common Expenses. The total of the estimated funds required form assessments for the operation of the Condominium set forth in the budget adopted by the Board of Directors shall be assessed against each Unit Owner in proportion to his/her respective Common Element interest. However, no assessment shall be made against the Declarant as to any Unit completion of which has not been certified by the Declarant in an instrument filed with the Board of Directors. Sale of any such Unit by the Declarant shall be deemed to be completion of the Unit and the Unit Owner shall thereupon be assessed as provided herein.

D. Reserves. The Board of Directors shall build up and maintain reasonable reserves for working capital, operation, contingencies and replacements.

E. Effect of Failure to Prepare or Adopt Budget. The failure or delay of the Board of Directors to prepare or adopt a budget for any fiscal year shall not constitute a waiver or release in any manner of a Unit's Owners' obligation to pay his/her allocable share of the Common Expenses as herein provided whenever the same shall be determined and, in the absence of any annual budget or adjusted budget, each Unit Owner shall continue to pay each monthly installment at the monthly rate established for the previous fiscal year until notice of the monthly payment which is due more than ten days after such new annual or adjusted budget shall have been delivered.

Section 5.02 *Payment of Common Expenses.*

Each Unit Owner shall pay the Common Expenses assessed by the Board of Directors. No Unit Owner may exempt himself/herself from liability for his/her contribution toward Common Expenses by waiver of the use or enjoyment of any of the Common Elements or by abandonment of his/her Unit. The Association has a statutory lien on a Unit for any assessment levies against that unit or fines imposed against its Unit Owner pursuant to 27 V.S.A. Section 3-116. Prior to or at the time of any conveyance of a Unit by a Unit Owner, all liens, unpaid charges and assessments shall be paid in full and discharged. The purchaser of a Unit shall be jointly and severally liable with the selling Unit Owner for all unpaid assessments against the Unit for his/her proportionate share of the Common Expenses up to the time of recording of the conveyance, without prejudice to the purchaser's right to recover from the selling Unit Owner amounts paid by the purchaser therefore; provided, however, that any such purchaser shall be entitled to a statement setting forth the amount of the unpaid assessments against the selling Unit Owner within five days following a written request therefore to the Board of Directors or Managing Agent and such purchaser shall not be liable for, nor shall the Unit conveyed be subject to a lien for, any unpaid assessments in excess of the amount therein set forth.

Section 5.03 *Payment of Assessments.*

No Unit Owner shall be permitted to convey, mortgage, pledge, hypothecate, sell, or lease his/her Unit unless and until he/she shall have paid in full to the Board of Directors all unpaid common charges theretofore assessed by Board of Directors against his/her Unit, and until he/she shall have satisfied all unpaid liens against such Unit, except bona fide mortgages.

Section 5.04 *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 for Common Expenses due from any Unit Owner which remain unpaid for more than thirty days from the due date for payment thereof. Any assessment, or installment thereof, not paid within five days after due shall be subject to a late charge of $10.00, (to be reviewed

and set annually by the Board); in addition any unpaid assessment shall accrue interest at the legal rate on the overdue assessment or installment. The Unit Owner shall also be liable for and pay to the Association all costs of collection, including reasonable attorney's fees. The Board of Directors, acting on behalf of all Unit Owners, shall be authorized to bring on a foreclosure action because of unpaid Common Expenses and shall have power to purchase such Unit at the foreclosure sale and to acquire, hold, lease, mortgage, vote the votes appurtenant to, convey or otherwise deal with the same,

A suit to recover a money judgment for unpaid common charges shall be maintainable without foreclosing or waiving the lien securing the same.

Section 5.05. *Statements*

A. *Statement of Common Expenses.* The Board of Directors shall promptly provide any Unit Owner, contact purchaser or mortgagee so requesting the same in writing with a written statement of all unpaid assessments for Common Expenses due from such Unit Owner. The Board of Directors may impose a reasonable charge of the preparation of such statement to cover the cost of preparation.

B. *Statement of Default.* A Unit Owner who mortgages his/her Unit shall notify the Board of Directors of the name and address of his/her mortgagee. The Board of Directors shall maintain such information in a book entitled, "Mortgage of Units". The Board of Directors shall promptly notify any mortgagee of any Unit, upon request, of any default in the performance of the Unit Owner of any obligation pursuant to the Declaration, the Bylaws and the rules and regulations which is not cured within sixty days.

Section 5.06 *Insurance.*

(1). The Board of Directors shall obtain and maintain, to the extent available, master policies of insurance, as specified, naming the Association as insured (for the use and benefit of the Unit Owners and mortgagees), as their interests may appear.

A. Casualty or physical damage insurance on the Common and Limited Common Areas and Facilities, and all other insurable improvements forming part of the Condominium, including Units (but EXCLUDING the furniture, furnishings, appliances and other personal property of the Unit Owners therein, and also EXCLUDING any "improvements and betterments" installed in Units), together with the service machinery, apparatus, equipment and installations located in the Buildings, and existing for the provisions of central services or for common uses, in an amount not less than One Hundred Percent (100%) of their full replacement value (exclusive of footings) as determined by the Board of Directors annually in their judgment (and all policies shall therefore contain a replacement cost valuation

endorsement, so-called, or the equivalent) against (1) loss or damage by fire or other hazards covered by the extended coverage endorsement, together with coverage for the payment of Common Expenses with respect to damaged units during the period of reconstruction, and (2) such other hazards and risks as the Directors from time to time, in their discretion, shall determine to be appropriate, including but not limited to, vandalism, malicious mischief, windstorm and water damage, boiler and machinery explosion or damage, and plate glass damage. Certificates of such insurance and all renewals thereof, together with proof of payment of premiums, shall be delivered by the Directors to all Unit Owners and their mortgagees upon request, at least ten (10) days prior to the expiration of the then current policies.

B. Comprehensive public liability insurance and property damage insurance in such amounts and forms as shall be determined by the directors, covering the Association, the Directors, all of the Unit Owners and any Managing Agent of the Property, with a combined limit of not less than $1,000,000.00.

C. Worker's compensation and employer's liability insurance covering any employees of the Association.

D. Errors and omissions insurance for the Directors and Officers.

E. Adequate fidelity coverage to protect against dishonest acts on the part of Officers, Directors, Trustees, and employees of the Association, including but not limited to, employees of the Agent. The premiums shall be paid by the Association, and; (i). All such fidelity bonds shall name the Association as an obligee; (ii). Such fidelity bonds shall be written in amounts required by FNMA, FHLMC, PMII's, the VA or other similar institutions; (iii). Such fidelity bonds shall contain waivers of any defense based on exclusion of persons who serve without compensation from any definition of "employee".

F. Such other policies of insurance as required by FNMA, FHLMC, PMI's, the VA or other similar institutions.

G. A Standard Mortgage Clause must be included in the policy which names as mortgagee either FNMA or the servicers for the mortgages which FNMA holds on Units in the Project. When a servicer is named as mortgagee, the policy shall also designate as the payee, "The Mortgagee, its successors and assigns."

H. Such other insurance as the directors shall determine to be appropriate and such other insurance as may from time to time be required by law.

(2). *Limitations.* Any insurance or fidelity bond obtained shall meet the following:

A. All policies shall be written with a company licensed to do business in Vermont and holding a financial rating in one of the top two categories.

B. Exclusive authority to negotiate losses under said policies shall be vested in the Board or its insurance trustee. All proceeds shall be payable to the Association or its trustees, and shall be held for the use and benefit of the Association, the Unit Owners, and their respective mortgagees.

(3). *Payment of Insurance Deductible.* In the event of damage to any Unit which is covered by the master insurance policy, the Association will be responsible for payment of deductible amounts under the policy except where:

A. The damage to such Unit was caused by the Unit Owner's negligence;

B. The damage to such Unit, absent the coverage by the master policy, which would have been the maintenance responsibility of the Unit Owner.

(4). *Separate Insurance.* Each Unit Owner shall have the right, at his/her own expense, to obtain insurance for his/her own Unit and for his/her own benefit and to obtain insurance coverage upon his/her personal property and for his/her personal liability. All Unit Owners must obtain insurance upon any improvements made by him/her to his/her Unit under coverage normally called "improvements and betterments coverage"; provided, however, that no Unit Owner shall be entitled to exercise this right to acquire or maintain such insurance coverage so as to decrease the amount which the Board of Directors, on behalf of all Unit Owners, may realize under any insurance policy maintained by the Board or to cause any insurance coverage maintained by the Board to be brought into contribution with insurance coverage obtained by a Unit Owner. All such policies shall contain waivers of subrogation if available. No Unit Owner shall obtain separate insurance policies on the Condominium except as provided in this Section. If Unit Owners elect to obtain insurance from an insurer other than that providing coverage on the Common Elements, Unit Owners shall obtain approval from the Association of the policy obtained.

Section 5.07 *Lien for Assessment.*

The total annual assessment of each Unit Owner for Common Expenses or any special assessments of any other sum duly levied and any late charges and costs of collection, made pursuant to the Declaration, is hereby declared to be a lien levied against the Unit of such Unit Owner as provided in Section 3-1 16 of the Act.

Section 5.08 *Maintenance, Repair, Replacement of Common Elements, and other Common Expenses.*

A. By the Board of Directors. The Board of Directors shall be responsible for the maintenance, repair and replacement (unless, if in the opinion of not less

than a majority of the Board of Directors such expense was necessitated by the negligence, misuse or neglect of a Unit Owner) of all of the Common Elements, and Limited Common Elements, except for such maintenance of the Limited Common Elements as is delegated to Unit Owners appurtenant thereto.

B. By the Unit Owner. Each Unit Owner shall keep in good order, condition and repair and in a clean and sanitary condition, and shall do all redecorating, painting and varnishing which may at any time be necessary to maintain the good appearance and condition of his/her Unit and deck. In addition, each Unit Owner shall be responsible for all damage to any other Units or to the Common Elements resulting from his/her failure to make any of the repairs required by this Section.

C. Manner of Repair and Replacement. All repairs and replacements shall be substantially similar to the original construction and installation and shall be of first class quality. The method of approving payment vouchers for all repairs and the Board of Directors shall determine replacements.

Section 5.9 *Injunctions.*

The Board shall have the right to abate, enjoin or remedy by appropriate legal proceedings, either in law or in equity, the continuance of any violation of the provisions of the Condominium documents, including, without limitation, an action to recover any sums due for money damages, injunctive relief, foreclosure of the lien for payment of all assessments, any combination thereof, and any other relief afforded by a court or competent jurisdiction. Such remedies shall be deemed cumulative and shall not constitute an election of remedies. The failure of the Association or its Board to enforce any rights, covenants or conditions of the Condominium shall not constitute a waiver of the right to enforce such rights, covenants or conditions in the future. There shall be, and there is hereby created and declared to be, a conclusive presumption that any violation or breach, or any attempted violation or breach, of any of the covenants and restrictions of the Declaration or Bylaws shall so damage the community and its property values that it cannot be adequately remedied by action at law or exclusively by recovery of damages.

Section 5.10 *Costs and Attorneys' Fees.*

In any proceedings arising because of an alleged failure of a Unit Owner to comply with the terms of the Condominium documents, the prevailing party shall be entitled to recover the costs of the proceeding and such reasonable attorneys' fees as may be awarded by the Court,

Section 5.11 *Fine.*

The Board shall have the right to impose upon the Unit Owner a reasonable fine, commensurate with the severity of the violation of any of the provisions of the above-referenced documents, which fine shall become a

continuing lien against the Unit of the defaulting Unit Owner enforceable in the manner provided by the Act and the Bylaws.

Section 5.12 *Abatement.*

The Board shall have the right to remove, at the expense of the defaulting Unit Owner, any structure alteration, improvement or conditions placed on the Common Elements by a Unit Owner in violation of the provisions of the above referenced documents.

ARTICLE VI

MISCELLANEOUS

Section 6.01 *Amendment.*

These Bylaws may be amended by vote of Unit Owners of Units to which at least 67 percent of the votes in the Association are allocated.

Section 6.02 *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 Unit Owner, at the address which the Unit Owner shall designate in writing and file with the Secretary or, if no such address is designated, at the address of the Unit of such Unit Owner, 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 Unit Owners pursuant to this Section.

Section 6.03 *Captions.*

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

Section 6.04 *Gender.*

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

Signature page to follow

DATED at _____, Vermont, this _____ day of _____ , 2016

IN PRESENCE OF:

OLD MORGAN ORCHARD LLC

_____
Witness

By: _____
William Veve
Duly Authorized Agent

_____
Print Name

STATE OF VERMONT
COUNTY OF _____, SS.

On this _____ day of _____, 2016, personally appeared _____, in his capacity as the Duly Authorized Agent of Old Morgan Orchard LLC, to me known to be the person who executed the foregoing instrument, and he acknowledged this instrument, by him signed, to be his free act and deed and the free act and deed of Old Morgan Orchard, LLC.

Before me, _____
Notary Public

Printed Name: _____

My commission expires: _____