

Section 8.2 Number and Qualification. The affairs of the Association shall be governed by a Board of Directors composed of three persons from among the Owners. In the case of Declarant or other corporate or partnership Owners, the officers, directors, employees, partners or agents of such entities may be members of the Board. The number of directors may be increased or decreased by amendment of these Bylaws; provided however, that the number of directors shall not be reduced to less than three nor increased to more than ten. Until the first meeting of the Association, the Board of Directors shall consist of three individuals named by the Declarant.

Section 8.3 Powers and Duties. The Board of Directors shall be empowered and shall have the duties as follows:

a. To administer and enforce the covenants, conditions, restrictions, easements, uses, limitations, obligations, and all other provisions set forth in the Project Declaration and in the Articles and these Bylaws;

b. To establish, make and enforce compliance with such reasonable rules and regulations, as may be necessary for the operation, use and occupancy of the Project and the Common Elements with the right to amend same from time to time. A copy of such rules and regulations shall be delivered or mailed to each Owner promptly upon the adoption thereof;

X c. To keep in good order, condition, and repair all of the Common Area and all items of personal property, if any, in the enjoyment of the entire Project;

+ d. To obtain and maintain to the extent obtainable all policies of insurance required by the Project Declaration;

e. To periodically fix, determine, levy and collect prorated assessments to be paid by each of the Owners toward the Common Expenses of the Association and to adjust, decrease, or increase the amount of the Assessments, refund any excess assessments to the Owners or to credit any excesses of assessments over expenses and cash reserves to the Owners against the next succeeding assessment period. To levy and collect against the special assessments in accordance with the provisions of the Declaration, whenever in the opinion of the Board it is necessary to do so in order to meet increased operating or maintenance expenses or costs, or additional capital expenses, or because of emergencies.

All special assessments shall be in statement form and shall set forth in detail the various expenses for which the assessments are being made;

f. To impose penalties and collect delinquent assessments by suit or otherwise and to enjoin or seek damages from an Owner as is provided in the Project Declaration and these Bylaws;

g. To protect and defend the Project from loss and damage by suit or otherwise;

h. To borrow funds and give security therefore in order to pay for any expenditure or outlay required pursuant to the authority granted by the provisions of the Project Declaration or these Bylaws and to execute all such instruments evidencing such indebtedness as the Board of Directors may deem necessary or desirable;

i. To enter into contracts within the scope of their duties and powers, provided however that any agreement for professional management of the Project, or any other contract providing for services of the Declarant may not exceed one (1) year, and any such agreement must provide for termination by either party with or without cause and without payment of a termination fee and no more than thirty (30) days' written notice;

j. To establish bank accounts which are interest bearing or non-interest bearing, as may be deemed advisable by the Board of Directors;

k. To keep and maintain detailed, full and accurate books and records showing in chronological order all of the receipts, expenses or disbursements pursuant to appropriate specificity and itemization and to permit inspection thereof as is provided in the Bylaws and, to cause a complete financial review to be made of the books and records by a competent certified public accountant on a periodic basis;

l. To prepare and deliver annually to each Owner a financial statement since the last statement.

m. To designate and remove the personnel necessary for the operation, maintenance, repair and replacement of the Common Area;

n. To suspend the voting rights of an Owner for failure to comply with these Bylaws or the rules and

regulations of the Association or with any other obligations of the owners pursuant to the Project Declaration; and

c. In general, to carry on the administration of the Association and to do all of those things necessary and/or desirable in order to carry out the governing and operating of the Project.

Section 8.5 Managing Agent. The Board of Directors will employ for the Association a Managing Agent (at the compensation established by the Board of Directors), to perform such duties and services as it shall authorize. The Board of Directors may delegate any of the powers and duties granted to it but, notwithstanding such delegation, shall not be relieved of its responsibility under the Project Declaration, the Articles or these Bylaws.

Section 8.6 Election and Term of Office. Members of the Board of Directors shall be a majority or plurality, as appropriate, of the Owners voting at the annual meeting of the members of the Association; except for the initial Directors appointed by Declarant, the term of one Director of the Board shall be for one year, the term of one Director of the Board shall be for two years and the term of one Director or the Board shall be for three years and thereafter until such Director's successor is duly elected and qualified or unless such Director is removed in the manner hereinafter provided. At each annual meeting the members shall elect the same number of Directors whose terms are expiring at the time of each election for the like term of that of the Director whose term has expired.

Section 8.7 Vacancies. 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 fulfilled by election by the remaining directors, even though they may constitute less than a quorum; and each person so elected shall be a director until a successor is duly elected and qualified at the next annual meeting of the Association.

Section 8.8 Removal of Directors. At any annual or special meeting of the Association, duly called, any one or more of the directors may be removed with or without cause, by the vote of Owners representing a majority of the Lots in the Project, and a successor may then and there be elected to fill the vacancy thus created. Any director whose removal has been proposed by the Owners shall be given an opportunity to be heard at the meeting.

Section 8.9 Organization Meeting. The first meeting of a newly elected Board of Directors shall be held within thirty days of such election at such place as shall be fixed by the Directors at the meeting at which such Directors were elected, and no notice shall be necessary to the newly elected Directors in order to convene such meeting, provided a majority of the new Board shall be present at such election meeting.

Section 8.10 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 at least two such meetings shall be held each year. Notice of regular meetings of the Board of Directors shall be given to each Director, personally or by mail, telephone, or telegraph, at least three (3) days prior to the day named for such meeting.

Section 8.11 Special Meetings. Special meetings of the Board of Directors may be called by the President, on his own initiative, on three (3) days notice to each Director, given personally, or by mail, telephone, or telegraph, which notice shall set forth 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 receipt from at least two (2) directors.

Section 8.12 Waiver of Notice. Before or at any meeting of the Board of Directors, any Director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meeting of the Board shall be a waiver of notice by him of the time and place thereof. If all the Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

Section 8.13 Board of Directors Quorum. At all meetings of the Board of Directors, a majority of the Directors shall constitute a quorum for the transactions of business, and the acts of the majority of the Directors present at a meeting at which a quorum is present shall be the acts of the Board of Directors. If at any meeting of the Board of Directors there is less than a quorum present, the majority of those present may adjourn the meeting from time to time for periods of no longer than one week until a quorum is obtained or until a conclusion can be reached. At any such adjourned meeting, any business which might have been

transacted at the meeting as originally called may be transacted without further notice.

Section 8.14. Compensation; Fidelity Bonds. The members of the Board of Directors shall serve without salary or compensation. The Board of Directors may require that all officers and employees of the Association handling or responsible for Association funds shall furnish adequate fidelity bonds. The premiums on such bonds shall be paid by the Association.

ARTICLE IX

OFFICERS

Section 9.1 Designation. The officers of the Association shall be a President, a Vice President or Vice Presidents, a Secretary and a Treasurer, all of whom shall be elected by the Board of Directors. Further, the Board of Directors may, in its discretion, elect an Assistant Secretary and/or Assistant Treasurer.

Section 9.2 Election of Officers. The officers of the Association shall be elected annually by the Board of Directors at the organizational meeting of each new Board and shall hold office at the pleasure of the Board. All officers, except the initial officers, must be members of the Association and the President must be elected from among the Board of Directors. One person may hold concurrently the office of Vice President and Secretary or Vice President and Treasurer or Secretary and Treasurer, but the President shall serve only in the office of President.

Section 9.3 Removal of Officers. Upon an affirmative vote of a majority of the members of the Board of Directors, any officer may be removed, either with or without cause, and his successor 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 9.4 President. The President shall be elected from among the Board of Directors and shall be the Chief Executive Officer of the Association. The President shall preside at all meetings of the Association and of the Board of Directors. The President shall have all of the general powers and duties which are usually vested in the office of the President of a nonprofit corporation, including, but not limited to, the power to appoint committees from among the members from time to time as may be