

**BYLAWS
OF
STONEWATER HOMEOWNERS ASSOCIATION OF ROLESVILLE, INC.**

**ARTICLE I
DEFINITIONS**

The following terms used in these Bylaws shall have the following meanings (unless otherwise expressly provided herein or as otherwise defined in the Declaration):

- 1.1 "Act" means the North Carolina Nonprofit Corporation Act as promulgated.
- 1.2 "Articles" means the Association's Articles of Incorporation.
- 1.3 "Association" means STONEWATER HOMEOWNERS ASSOCIATION OF ROLESVILLE, INC., a North Carolina nonprofit corporation.
- 1.4 "Board" means the Board of Directors for the Association.
- 1.5 "Bylaws" means the Association's Bylaws.
- 1.6 "Town" or "Town of Rolesville" is defined as the Town of Rolesville, North Carolina, a North Carolina municipal corporation.
- 1.7 "Code" is defined as the Wake County Ordinances and/or the Town of Rolesville Code of Ordinances as it exists from time to time, and Includes all duly adopted regulations, rules, directives, and policies of Wake County and the Town pursuant to or in furtherance of the Code.
- 1.1 "Common Elements", or "Common Property", or "Common Area" means real property, together with any improvements situated thereon, intended for the common use and benefit of Owners and occupants of the Properties, regardless of how such real property is described in a Governing Document. Common Elements may consist of real property or rights in real property owned or leased by the Association or real property owned by or dedicated to another Person with the Association having a right or easement therein (for example, part or all of Stormwater Control Facilities located either on a Lot or on real property that is not part of the Properties, or a right of the Association to use or maintain a portion of a public street right-of-way). Common Elements may include all of the following:
 - (1) All of the items included in the definition of common areas (or other word or term used to describe common areas - for example, common open space) in the applicable Section of the Code; and
 - (2) All other items included in the definition of Common Elements, Common Area or Common Property in any Governing Document; and
 - (3) All Common Areas shown on any map or plat of the Properties or any part thereof recorded by Declarant in the Registry.

All Common Elements shall be maintained by the Association as provided herein and the costs of such maintenance are Common Expenses. The foregoing definition of Common Elements in this Declaration is broader than the definition of "common elements" in the Act. Common Property also

includes all other property and improvements, if any, required to be included as such by the Code or other Legal Requirements and by this Declaration and other Governing Documents, and all other property and improvements, if any, declared to be Common Property by the Declaration.

1.9 "Declarant" means MBA LAND GROUP, LLC, a North Carolina limited liability company, and its successors and assigns.

1.10 "Declaration" means the DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR STONEWATER SUBDIVISION, recorded in Book _____, Page _____, Wake County Registry, and any recorded amendments thereto. Unless otherwise specifically defined herein, capitalized terms shall have the same meaning as set forth in the Declaration.

1.11 "Director" means each individual elected or appointed, pursuant to the provisions of these Bylaws, to serve on the Board of Directors of the Association.

1.12 "Governing Documents" means the Declaration, the Articles of incorporation, the Bylaws, Restrictions and Rules, Board resolutions, Architectural Guidelines, all applicable Supplemental Declarations and Subdivision Declarations; plats (or maps, those terms being used interchangeably herein) of the Property or any portions thereof approved by a Governmental Authority and recorded in the Registry; other declarations of restrictive or protective covenants applicable to the Property or any portion thereof; documents withdrawing portions of the Property from this Declaration; and all duly adopted amendments and revisions to any of the foregoing documents or plats.

1.13 "Governmental Authority" or "Governmental Authorities" or "Governmental Entity" or "Governmental Entities" means the Town, the County of Wake, North Carolina, the State of North Carolina, the United States of America, and all other governmental entities and quasi-governmental entities that have jurisdiction over the Property or any part thereof, and all applicable departments, divisions, sections, branches, agencies, and other subdivisions of such Governmental Authorities.

1.14 "Improvement" means any structure and all appurtenances thereto of every kind and type and any other physical change upon, over, across, above or under any part of the Property, including any clearing of trees or other vegetation and including grading and any other site preparation, and including any other improvement of, to, or on any Lot, including but not limited to Dwellings and other buildings and structures (specifically including exterior materials, colors, size, location and architectural style), decks, patios, porches, outdoor fireplaces and/or chimneys, driveways, motor vehicle and other parking areas, storage areas located outside of a Dwelling, recreational areas, equipment and facilities located outside of a Dwelling, mailboxes, exterior antennae, dishes, towers, and other apparatus to receive or transmit radio, television, or microwave or other signals, fences, walls, hedges, other landscaping (including planted areas, grassed areas, natural areas and the plants and other materials therein), poles, flags, decorative features and items attached to or on the exterior of a Dwelling or in the yard, ponds, lakes, water features, clearing, grading and other site preparation, swimming pools, lights and signs located on or outside of a Dwelling or visible inside a Dwelling from a street or adjoining portion of the Property, and all other items used or maintained on a Lot outside of the Dwelling. The definition of Improvements includes both initial improvements and all subsequent alterations, changes and additions to same. The term "initial improvements" means all of the improvements constructed or placed or located on any Lot in accordance with Approved Plans or Architectural Guidelines not requiring Approved Plans at the time of issuance of a certificate of occupancy for the Dwelling on the Lot (or the time of issuance of the certificate of occupancy for the last Dwelling on a Lot on which more than one Dwelling is to be located). The examples of improvements stated for the purposes of this definition do not imply that all

such improvements will be allowed in the Property, and all improvements are subject to the architectural approval provisions of this Declaration.

1.15 "Lot" means any portion of the Property with delineated boundary lines, whether improved or unimproved, that is intended for independent ownership and either has a Dwelling constructed thereon or is intended for construction of a Dwelling thereon, and is shown on a plat recorded in the Registry. A "Proposed Lot" means any portion of the Property with delineated boundary lines, whether improved or unimproved, that is intended for independent ownership and either has a Dwelling constructed thereon or is intended for construction of a Dwelling thereon, and is shown on the Subdivision Plan but not shown on a plat recorded in the Registry. A Proposed Lot becomes a Lot from and after the date on which a plat thereof is recorded in the Registry. The definition of Lot also includes Unsubdivided Land as described in the definition of Unsubdivided Land. In the event that any Lot is increased or decreased in size by recombination or re-subdivision through the recording of a new or revised plat, the newly platted lot thereafter shall constitute a Lot under this Declaration, except as otherwise may be provided herein with respect to allocation of votes and assessments applicable to the newly platted Lot. With respect to the Class B membership in the Association, Unsubdivided Land also constitutes one (1) Lot.

1.16 "Member" means every Person who holds membership in the Association, including each Person who owns a Lot in the Property and, with respect to the Class B Member, means the "Declarant".

1.17 "Owner" means the record owner, whether one or more Persons, of a fee simple title to any Lot, except those having an interest merely as security for the performance of an obligation.

1.18 "Person" means any natural person, a trust, an estate, a domestic corporation, a foreign corporation, a professional corporation, a partnership, a limited partnership, a limited liability company, an unincorporated association, joint venture, Governmental Authority or other legal or commercial entity.

1.19 "Property", "Properties", "Community", and "Subdivision" mean the Property as defined above, together with all Additional Property annexed to this Declaration pursuant to Article III hereof, less and except all real property that is withdrawn from this Declaration as allowed herein. References to the Properties includes any part or all of the Properties, as applicable, in accordance with the context of such reference herein, whether or not the reference specifically states that it is referring to any part or all of the Properties.

1.20 "Subdivision" means STONEWATER as shown on the recorded subdivision plat(s) of the Property.

ARTICLE II ORGANIZATION OF THE CORPORATION

2.1 Name. The name of the corporation is STONEWATER HOMEOWNERS ASSOCIATION OF ROLESVILLE, INC.

2.2 Principal Office. The principal office of the Association shall be located at 7101 CREEDMOOR ROAD, SUITE 122, RALEIGH, NC 27613. The Board of Directors of the Association may fix the location of its principal office from time to time.

2.3 Registered Office and Registered Agent. The office of the Association's initial registered

agent shall be 7101 CREEDMOOR ROAD, SUITE 122, RALEIGH, NC 27613 and the name of its initial registered agent at such office shall be ANDREW K. SANDMAN.

ARTICLE III PURPOSE AND POWERS OF THE ASSOCIATION

This Association does not contemplate a pecuniary gain or profit to the Members thereof, and the specific purposes for which it is formed are to provide for maintenance, preservation, and architectural control of each Lot and the Common Area within the Property and any additions thereto as may hereafter be brought within the jurisdiction of this Association, and for this purpose to:

(a) exercise all of the powers and privileges and to perform all of the duties and obligations of the Association as set forth in the Declaration, and as the same may be amended from time to time, being incorporated herein as if set forth at length;

(b) fix, levy, collect, and enforce payment by any lawful means all charges or assessments pursuant to the terms of the Declaration; to pay all expenses in connection therewith and all office and other expenses incident to the conduct of the business of the Association, including all licenses, taxes or governmental charges levied or imposed against the property of the Association;

(c) (i) upon obtaining the minimum required voting percentage under applicable provisions of the Act for conveyance of Common Property (at the time of recording of this Declaration Section 47F-3-112 of the Act requires the affirmative vote of eighty percent (80%) or more of the total number of votes in the Association), and (ii) upon compliance with any applicable provisions of the Code and other Legal Requirements, and (iii) prior to the end of the Development Period, upon obtaining the written consent of Declarant, may dedicate portions of the Common Property to public use and/or convey or exchange portions of the Common Property with the Declarant or any other Person, for any purpose approved by any required vote of the Members, including any one or more of the following purposes: (i) to eliminate unintentional encroachments of improvements or easements; (ii) to correct any building or other setback violations; (iii) to adjust boundary lines of portions of the Properties; (iv) to facilitate the orderly subdivision and development of the Properties; or (v) to conform the configuration of the Properties to any applicable Development Plan. All conveyances and exchanges of Common Property are subject to the following: (i) no such conveyance or exchange (either alone, or in conjunction with other conveyances or exchanges) shall result in a reduction of the portion of the Common Property that constitutes "open space" below the minimum amount of "open space", if any, required by the applicable Governmental Authority; (ii) if required by Legal Requirements, the applicable Governmental Authority must approve any exchange or boundary line adjustment; (iii) any boundary line adjustment must be approved by the Owners of all portions of the Properties affected by the adjustment; (iv) properties received by the Association in an exchange must be of like value and utility as the Common Property that are part of the exchange transaction; (v) each Lot contiguous to Common Property prior to the conveyance shall remain contiguous to Common Property after the conveyance, unless otherwise approved by the Owner of the Lot that no longer will be contiguous; (vi) the conveyance shall not materially conflict with any applicable Subdivision Plan; (vii) no conveyance of Common Property shall deprive any Lot of its rights of access and support; and (viii) any conveyance of real property to the Association must be free and clear of all encumbrances except for this Declaration and any applicable Supplemental Declaration, Stormwater Agreements and other agreements executed as allowed by this Declaration, Legal Requirements, street rights of way or access easements, greenway easements, easements for utilities, and stormwater drainage easements;

(e) (i) upon complying with the minimum required voting percentage under applicable provisions of the Act for conveyance or dedication of Common Property (at the time of recording of this Declaration Section 47F-3-112 of the Act requires the affirmative vote of eighty percent (80%) or more of the total number of votes in the Association), and (ii) prior to the end of the Development Period upon obtaining the written consent of Declarant, shall have the power and authority to mortgage the Common Property and to pledge its assets as security for loans made to the Association, which loans shall be used by the Association in performing its functions and providing services under this Declaration. Declarant may, but shall not be required to, make loans to the Association, subject to the foregoing and further subject to approval by the Declarant of the use of such loan proceeds and the terms pursuant to which such loans will be repaid. Notwithstanding anything in this Declaration to the contrary, at any time that there is any unpaid amount owed to Declarant under any loan made by it to the Association, without Declarant's written consent the annual assessments shall not be reduced below the amounts in effect at the time such loan first was made;

(f) participate in mergers and consolidations with other non-profit corporations organized for the same purposes or annex additional real property, and Common Area, provided that any such merger, consolidation, or annexation shall be subject to any approval requirements set forth in the Declaration or otherwise required by applicable law;

(g) have and to exercise any and all powers, rights and privileges which corporations organized under the Act may now or hereafter have or exercise.

ARTICLE IV MEMBERSHIP

Each and every Owner of a Lot is a Member of the Association, with classes of membership as provided herein, and, by execution of this Declaration or by acceptance of a deed conveying to such Owner title to any Lot, each Owner consents to be a Member of the Association and to be subject to the terms of the Governing Documents, and Declarant shall be the Class B Member at all times that Declarant owns at least one (1) Lot (which may consist of the Unsubdivided Land owned by Declarant if Declarant owns no other Lots in the Properties). Membership shall be appurtenant to and may not be separated from ownership of the Lot owned by such Owner. An Owner's membership in the Association automatically terminates whenever such Person ceases to be an Owner (except that the Declarant's Class B Membership shall terminate only as provided herein). Termination of membership shall not release or relieve any such Owner from any liability or obligation incurred under this Declaration during the period of such Owner's ownership, nor impair any rights or remedies which the Association or any other Owner has with respect to such former Owner.

ARTICLE V PROPERTY RIGHTS

Each Member and lawful occupant in the Property shall have a non-exclusive right of use and enjoyment and easement in the Common Areas, including the right rights of ingress and egress to and from all Common Areas throughout the Property, subject to such rules and regulations as are allowed under the Governing Documents to be imposed by the Association and subject to suspension of use rights allowed in the Governing Documents. The Association shall not suspend the right of any Owner to any of the following: (i) ingress and egress over any portion of the Common Elements on which there is a private street or easement that provides access for ingress and egress from a public street to and from such Owner's Lot; (ii) drainage of storm water in, on, over, under, or through, as applicable, any portion

of the Common Elements on which there is a stormwater drainage easement or Stormwater Control Measures that provides storm water drainage for such Owner's Lot; or (iii) sanitary sewer, water or other utility service in, on, over, under, or through, as applicable, any portion of the Common Elements on which there is an easement that provides such utility service to such Owner's Lot. Provided, however, such Owner shall remain subject to the rules and regulations, if any, established by the Association for use of such portion of the Common Property.

ARTICLE VI VOTING RIGHTS

The Association shall have the following two (2) classes of voting membership:

(a) Class A Members shall be all Owners with the exception of the Declarant. Declarant shall, however, be a Class A member upon the termination of Class B membership. Class A Members shall be entitled to one (1) vote for each Lot owned. When more than one Person holds an interest in any one Lot, all such Persons shall be Members; provided that the vote of that Lot shall be exercised as the majority of such Persons among themselves determine, but in no event shall more than one (1) vote be cast with respect to each Lot. Fractional voting is prohibited. At any meeting of the Members, a representation by any of such Persons that a majority of such Persons have agreed as to the vote for such Lot shall be conclusive unless another of such Persons contests such representation at such meeting prior to the casting of such vote.

(b) The Class B Member shall be the Declarant. During all times that the Class B membership exists, the Class B Member is the only Member eligible to vote on Association matters, unless a Legal Requirement requires that all Members have a right to vote. With respect to each Association matter on which all Members are eligible to vote, the Class B Member has ten (10) votes for each Lot owned by Declarant. Any one or more times that the Class B membership terminates because Declarant owns no Lots, and Declarant later acquires ownership of one or more Lots, the Class B membership shall be reinstated until such time as Declarant again owns no Lots.

(c) The exercise of voting rights shall be governed by the Articles and/or Bylaws of the Association, as applicable, including quorum requirements and exercise of voting rights by written consent or other method allowed in the Articles and/or Bylaws instead of a vote at a meeting of the Association, or by any combination of voting at a meeting and other method of voting as allowed in the Articles and/or Bylaws. Any provision of this Declaration or other Governing Documents that refers to a vote of the membership of the Association shall not preclude the exercise of voting rights by such other methods.

(d) During the Development Period, the Declarant shall be entitled to appoint, remove, and replace all of directors of the Board, and, with respect to quorum requirements at any meeting of the Association, Declarant's right to appoint directors is also Declarant's right to elect directors under the Act.

ARTICLE VII MEETINGS OF MEMBERS

7.1 Annual Meeting. An annual meeting of the Members will be held at such time and date as shall be designated by the Board of Directors as stated in the notice of meeting. The Board of Directors may change the date of the annual meeting from time to time. The purposes of the annual

meeting need not be enumerated in the notice of such meeting, unless otherwise required by these Bylaws, the Declaration or the Act.

7.2 Special Meetings. Special meetings of the Members, for any purpose or purposes, unless otherwise prescribed by statute, may be called by either (1) the Board of Directors, (2) the President, or (3) upon the written request of Members holding at least ten percent (10%) of all votes entitled to be cast on any issue proposed to be considered at the special meeting. A meeting called by the Members shall be held within thirty (30) days of the Association's request therefore.

7.3 Place of Meetings. The Board of Directors shall designate the place of meeting for the annual meeting of the Members. Provided, however, if no designation is made, or if a special meeting be otherwise called, the place of meeting shall be the principal office of the Association.

7.4 Notice of Meetings. Except as may otherwise be provided in the Declaration, written notice stating the place, day and hour of the meeting and the purpose or purposes for which the meeting is called shall be delivered not less than ten (10) days nor more than sixty (60) days before the date of the meeting, by or at the direction of the Secretary or person authorized to call the meeting, to each Member entitled to vote at such meeting. If mailed, such notice shall be deemed to be delivered two (2) calendar days after being deposited in the United States Mail, addressed to the Member at its address as it appears on the books of the Association, with postage thereon prepaid. In the case of a special meeting, the notice of meeting shall include a description of the purpose or purposes for which the meeting is called; but, in the case of an annual or substitute annual meeting, the notice of meeting need not include a description of the purpose or purposes for which the meeting is called unless such a description is required by the provisions of the Act.

7.5 Record Date. For the purpose of determining the Members entitled to notice of, or to vote at, any meeting of Members or any adjournment thereof or in order to make a determination of Members for any other purpose, the date on which notice of the meeting is mailed shall be the record date for such determination of Members. Unless otherwise determined by the Board of Directors, if a determination of Members entitled to vote at any meeting of Members has been made as provided in this Section, such determination shall apply to any adjournment thereof.

7.6 Quorum. Members holding at least ten percent (10%) of the votes of each class of membership, represented in person or by proxy, shall constitute a quorum for any action at any meeting of Members, except as otherwise provided in these Bylaws or the Declaration. In the absence of a quorum at any such meeting, a majority of the Members so represented may adjourn the meeting from time to time, for a period not to exceed sixty (60) days, without further notice. However, if at the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each Member of record entitled to vote at the meeting. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting as originally noticed. Notwithstanding anything to the contrary contained herein or in the Declaration, the quorum requirement at the next meeting shall be one-half of the quorum requirement applicable to the meeting adjourned for lack of a quorum. This provision will continue to reduce the quorum by fifty percent (50%) from that required at the previous meeting, as previously reduced, until such time as a quorum is present and business can be conducted. The Members present at a duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal during such meeting of that number of Members whose absence would cause less than a quorum to be present.

7.7 Manner of Acting. Except in the election of Directors as governed by the provisions of Article VIII, if a quorum exists, the affirmative vote of a majority of the votes cast shall be the act of the Members, unless a greater vote is required by the Act, the Bylaws, or the Declaration. Cumulative voting is expressly prohibited.

7.8 Proxies. At all meetings of Members, a Member may vote in person or by proxy executed in writing by the Member or by a duly authorized attorney-in-fact. Such proxy shall be filed with the Association before or at the time of the meeting. No proxy shall be valid after eleven (11) months from the date of its execution, unless a shorter term is provided in the proxy. If a Lot is owned by more than one Person, each owner of the Lot may vote or register protest to the casting of votes by the other owners of the Lot through a duly executed proxy. An Owner may not revoke a proxy given pursuant to this Section except by actual notice of revocation to the Person presiding over a meeting of the Association.

7.9 Action by Written Consent. Action required or permitted to be taken at a meeting of Members may be taken without a meeting if the action is taken by all Members entitled to vote on the action. The action taken shall be evidenced by one (1) or more written consents describing the action taken, signed before or after such action by the Members entitled to vote thereon, and delivered to the Association for inclusion in the minutes or for filing with the Association records. The record date for determining Members entitled to take action without a meeting shall be the date the first Member signs the written consent.

7.10 Waiver of Notice. When any notice is required to be given to any Member, a waiver thereof in writing signed by the person entitled to such notice, whether before, at, or after the time stated therein, shall be equivalent to the giving of such notice. A Member's attendance, in person or by proxy, at a meeting (a) waives objection to lack of notice or defective notice of the meeting, unless the Member or his proxy at the beginning of the meeting objects to holding the meeting or conducting business at the meeting, and (b) waives objection to consideration of a particular matter at the meeting that is not within the purpose or purposes described in the meeting notice, unless the Member or his proxy objects to considering the matter before it is voted upon.

ARTICLE VIII BOARD OF DIRECTORS

8.1 General powers. All corporate powers shall be exercised by or under the authority of, and the business and affairs of the Association shall be managed under the direction of, the Board of Directors.

8.2 Number and qualifications. The number of directors constituting the Board of Directors shall be not less than two (2) or more than nine (9). Directors need not be Members of the Association.

8.3 Term. At the first annual meeting of Members, Members shall elect one-third (1/3) of the directors for a term of one (1) year, one-third (1/3) of the directors for a term of two (2) years and one-third (1/3) of the directors for a term of three (3) years. At each annual meeting thereafter the Members shall elect one-third (1/3) of the directors for a term of three (3) years, and thereafter until their successors are elected and qualified.

8.4 Nomination of Directors. Nomination for election to the Board of Directors shall be made by a Nominating Committee to be established in accordance with these Bylaws. Nominations may

also be made from the floor at the annual meeting of Members. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two or more Members. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the members, to serve from the close of such annual meeting until the close of the next annual meeting and such appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations may be made only from among Members.

8.5 Election . Election to the Board of Directors shall be by secret written ballot. At such election the Members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of Article VI. The persons receiving the largest number of votes shall be elected. Cumulative voting is expressly not permitted.

8.6 Expiration of Term. A Director's term shall expire upon such Director's death, resignation, or removal. The term of a Director elected to fill a vacancy expires at the next meeting of Members at which directors are elected. A decrease in the number of directors does not shorten an incumbent Director's term. Despite the expiration of a Director's term, such Director shall continue to serve until a successor shall be elected and qualifies.

8.7 Removal. Except as herein stated, any Director may be removed at any time with or without cause by a vote of the Members if the number of votes cast to remove such Director would be sufficient to elect the Director at a meeting to elect Directors. A Director may not be removed by the Members at a meeting unless the notice of the meeting states that the purpose, or one of the purposes, of the meeting is removal of the Director. If any Directors are so removed, new Directors may be elected at the same meeting. A majority of the Directors then in office may remove any Director elected by the Board of Directors; provided, however, any Director elected by the Board of Directors to fill the vacancy of a Director elected by the Members may be removed only by the Members.

8.8 Vacancies. Any vacancy occurring in the Board of Directors, including without limitation a vacancy resulting from a failure by the Members to elect the full authorized number of Directors, may be filled by the Members or by the Board of Directors, whichever group shall act first. If the Directors remaining in office do not constitute a quorum, the Directors may fill the vacancy by the affirmative vote of a majority of the remaining Directors.

8.9 Compensation. No Director shall receive compensation for any service he may render to the Association in his capacity as Director; provided, however, any Director may be reimbursed for any and all expenses incurred by him in connection with such services.

8.10 Delegation of Duties. The Board of Directors may delegate the following powers and duties to a manager or managing agent: (a) maintenance of accurate records and books of account showing receipts and expenditures in connection with the operation of the Property which shall be available for examination by Owners at reasonable times; (b) operation, care, upkeep, and maintenance of the Common Areas and Common Area Improvements; (c) employment and dismissal of the personnel necessary for the maintenance and operation of the Common Areas and Common Area Improvements, including the services of a manager or managing agent or both, and establishment of compensation for such employees; and (d) opening of bank accounts on behalf of the Association and designating the signatories required therefore.

ARTICLE IX MEETINGS OF DIRECTORS

9.1 Regular meetings. A regular meeting of the Board of Directors shall be held immediately after, and at the same place as, the annual meeting of Members. In addition, the Board of Directors may provide, by resolution, the time and place, for the holding of additional regular meetings.

9.2 Special meetings. Special meetings of the Board of Directors may be called by or at the request of the President or by any two (2) Directors, after not less than three (3) days notice to each Director.

9.3 Notice of meetings. Regular meetings of the Board of Directors may be held without notice. The person or persons calling a special meeting of the Board of Directors shall, at least three (3) days before the meeting, give or cause to be given notice thereof by any usual means of communication. Such notice need not specify the purpose for which the meeting is called unless otherwise required by the Act or these Bylaws. Any duly convened regular or special meeting, may be adjourned by the Directors to a later time without further notice.

9.4 Waiver of notice. Any Director may waive notice of any meeting before or after the meeting. The waiver must be in writing, signed by the Director entitled to the notice, and delivered to the Association for inclusion in the minutes or filing with the corporate records. A Director's attendance at, or participation in, a meeting waives any required notice of such meeting unless the Director at the beginning of the meeting, or promptly upon arrival, objects to holding the meeting or to transacting business at the meeting and does not thereafter vote for or assent to action taken at the meeting.

9.5 Quorum. Unless the Articles or these Bylaws provide otherwise, a majority of the number of directors fixed by or pursuant to these Bylaws shall constitute a quorum for the transaction of business at any meeting of the Board of Directors.

9.6 Manner of acting. Except as otherwise provided in these Bylaws, including Section 9.9, the affirmative vote of a majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

9.7 Presumption of assent. A Director who is present at a meeting of (i) the Board of Directors or (ii) committee of the Board of Directors when corporate action is taken is deemed to have assented to the action taken unless (a) he objects at the beginning of the meeting, or promptly upon his arrival, to holding it or to transacting business at the meeting, or (b) his dissent or abstention from the action taken is entered in the minutes of the meeting, or (c) he files written notice of his dissent or abstention with the presiding officer of the meeting before its adjournment or with the Association immediately after the adjournment of the meeting. Such right of dissent or abstention is not available to a Director who votes in favor of the action taken.

9.8 Action without meeting. Action required or permitted to be taken at a meeting of the Board of Directors may be taken without a meeting if the action is taken by all Directors then in office. The action shall be evidenced by one or more written consents signed by each Director before or after such action, describing the action taken, and included in the minutes or filed with the corporate records reflecting the action taken.

9.9 Committees of the Board. The Board of Directors may create an Architectural Review

Committee, as provided in the Declaration, a Nominating Committee, as provided in these Bylaws, and any other committee as deemed appropriate in carrying out its purposes, and appoint members of the Board of Directors to serve on them. The creation of a committee of the Board of Directors and appointment of members to it must be approved by the greater of (a) a majority of the number of Directors in office when the action is taken or (b) the number of Directors required to take action pursuant to this Article IX. Each committee of the Board of Directors must have two or more members and, to the extent authorized by law and specified by the Board of Directors, shall have and may exercise all of the authority of the Board of Directors in the management of the Association. Each committee member serves at the pleasure of the Board of Directors. The provisions in these Bylaws governing meetings, action without meetings, notice and waiver of notice, and quorum and voting requirements of the Board of Directors apply to committees of the Board of Directors established under this Section.

ARTICLE X OFFICERS

10.1 Officers of the Association. The officers of the Association shall consist of a President, a Vice President, a Secretary, a Treasurer, and such other officers as may from time to time be appointed by the Board of Directors. Any two or more offices may be held by the same person, but no officer may act in more than one capacity where action of two or more officers is required.

10.2 Election and term. The officers of the Association shall be elected annually by the Board of Directors and each shall hold office for one (1) year unless he shall sooner resign, or shall be removed or otherwise disqualified to serve. Such elections may be held at any regular or special meeting of the Board. Each officer shall hold office until his death, resignation, retirement, removal, disqualification, or his successor is elected and qualified.

10.3 Removal. Any officer or agent elected or appointed by the Board of Directors may be removed by the Board with or without cause; but such removal shall be without prejudice to the contract rights, if any, of the person so removed.

10.4 Duties.

(a) President. The President shall preside at all meetings of the Board of Directors and all meetings of the Members; shall see that orders and resolutions of the Board of Directors are carried out; shall sign all leases, mortgages, deeds and other written instruments and shall co-sign all promissory notes. The President or, in his/her absence, the Vice President, may prepare, execute, certify, and record amendments to the Declaration on behalf of the Association.

(b) Vice Presidents. The Vice President shall, in the absence or disability of the President, perform the duties and exercise the powers of that office. In addition, he shall perform such other duties and have such other powers as the Board of Directors shall prescribe.

(c) Secretary. The Secretary shall keep accurate records of the acts and proceedings of all meetings of Members and Directors. He shall have general charge of the corporate books and records and of the corporate seal, and shall affix the corporate seal to any lawfully executed instrument requiring it. He shall keep, at the registered or principal office of the Association, a record of Members showing the name and address of each Member. He shall sign such instruments as may require his signature, and, in general, shall perform all duties incident to the office of Secretary and such other duties as may be assigned him from time to time by the Board of Directors.

(d) **Treasurer.** The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors. He shall keep full and accurate accounts of the finances of the Association in books especially provided for that purpose. He shall cause an annual review (or, if requested by a resolution of the Board of Directors, an audit) of the corporate books to be made by an independent certified accountant at the completion of each fiscal year and shall prepare an annual budget and a statement of income and expenditures to be presented to the Members at its regular annual meeting, delivering a copy of each to each of the Members. The Treasurer shall, in general, perform all duties incident to his office and such other duties as may be assigned to him from time to time by the Board of Directors.

ARTICLE XI BOOKS AND RECORDS

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any Member or his designated agent. The Declaration, the Articles and the Bylaws adopted rules and regulations concerning architectural control and use of the Property shall be available for inspection by any Member at the principal office of the Association, where copies may be purchased at reasonable cost.

ARTICLE XII CORPORATE SEAL

The corporate seal of the Association shall consist of a circular impressed seal containing the name of the Association around the outer area and the word "seal" in the inner area.

ARTICLE XIII AMENDMENTS

These Bylaws may be amended, at a regular or special meeting of the Members, by a vote of the majority of the Members present and voting.

ARTICLE XVI FISCAL YEAR

The fiscal year of the Association shall be from January 1 through December 31 of every year, except that the first fiscal year shall begin on the date of incorporation.