

LOCKWOOD CHASE COMMUNITY ASSOCIATION BY-LAWS

ARTICLE I

Name and Address

SECTION 1.01 Name. The name of this association shall be LOCKWOOD CHASE COMMUNITY ASSOCIATION (the "Community Association").

SECTION 1.02 Address. The office of the Association shall be at the place to be designated by the Board of Directors, subject to transfer upon notice to the members of the Association.

ARTICLE II

Applicability

SECTION 2.01 Applicability. These By-Laws shall be applicable to the Community Association. In accordance with the terms of a Restrictive Covenant Agreement for Malvern Golf Club Subdivision, East Goshen Township, Chester County, Pennsylvania (the "Declaration"), all present and future owners who shall be members of the Community Association and all tenants, residents, their guests, licensees, servants, agents, employees and any other person or persons who shall be permitted to use the open space and other property owned by the Community Association (hereinafter, the "Community Facilities") shall be subject to these By-Laws and to these rules and regulations as may be adopted by the Board of Directors from time to time. Ownership, rental or occupancy of any of the Lots in the Property subjected to the Declaration shall be conclusively deemed to mean that such Owner, tenant or occupant has accepted and ratified these By-Laws and rules and regulations of the Community Association "and will comply with them.

ARTICLE III

Purpose

SECTION 3.01 Association Purposes. The purpose of the Community Association is to maintain, regulate and administer the Community Facilities for the use, benefit and enjoyment of the owners and lawful occupiers of the Lots in the Property. In addition thereto, the Community Association is to provide for the orderly economical management and maintenance of the Community Facilities and to provide for the collection of such revenue as necessary to effectuate the maintenance of these facilities and other such facilities as may be established for the Owners. This Community Association does not contemplate pecuniary gain or profit to its members.

ARTICLE IV
Definitions and Interpretation

SECTION 4.01 Definitions. Unless it is plainly evident from the context that a different meaning is intended, the terms used herein shall have the same meanings as provided in the Declaration.

SECTION 4.02 Interpretation. In the event of a conflict of interpretation between the provisions set forth in these By-Laws and the Declaration, the Declaration shall govern. In the event of any conflict between these By-Laws and Articles of Incorporation of the community Association, the Articles of Incorporation shall control. In the event that the Internal Revenue Code is hereafter amended or changed, both the Declaration and these By-Laws shall be interpreted in such a manner as to conform to the provisions of the Internal Revenue Code with respect to non-profit entities, it being the intention to preserve the lawful status of the Association as a bona-fide non-profit entity.

ARTICLE V
Membership

SECTION 5.01 Membership. Membership in the Community Association (called "Class A Membership" in the Declaration) shall be limited to (i) the Owners or collective co-owners of a Lot subject to this Declaration and (ii) the Declarant or any successor Declarant. Votes in the Community Association are allocated among the members pursuant to Article III of the Declaration.

SECTION 5.02 Affirmative Vote. Except with respect to Directors elections or as otherwise provided herein, or in the Declaration, all decisions require for passage, the affirmative vote of at least a majority of the votes of each class of members of the Community Association in good standing and entitled to vote in attendance at a meeting having present, in person or by proxy, the quorum required in Section 5.05 hereof. For purposes of elections of Directors, each Lot Owner shall vote for one nominee for each Director position open for election. Cumulative voting shall not be permitted.

SECTION 5.03 Membership List. Not less than thirty (30) days prior to the date of the annual or special meeting of the Community Association, the Secretary shall compile and maintain at the principal office of the Community Association, an updated list of members and their last known post office addresses. Such lists shall also show opposite each member's name the address of the Unit owned by such member. The list shall be revised by the Secretary to reflect changes in ownership of Lots occurring prior to the date of such annual or special meeting. This list shall be open to inspection by all members and other persons lawfully entitled to inspect the same during regular business hours up to the date of such annual or special meeting. The Secretary shall also keep current and retain custody of the Minute Book of the Community Association, containing the minutes of all annual and special meetings of the Community Association and all resolutions of the Board of Directors.

SECTION 5.03 Membership List. Not less than thirty (30) days prior to the date of the annual or special meeting of the Community Association, the Secretary shall compile and maintain at the principal office of the Community Association, an updated list of members and their last known post office addresses. Such lists shall also show opposite each member's name the address of the Unit owned by such member. The list shall be revised by the Secretary to reflect changes in ownership of Lots occurring prior to the date of such annual or special meeting. This list shall be open to inspection by all members and other persons lawfully entitled to inspect the same during regular business hours up to the date of such annual or special meeting. The Secretary shall also keep current and retain custody of the Minute Book of the Community Association, containing the minutes of all annual and special meetings of the Community Association and all resolutions of the Board of Directors.

SECTION 5.03 Proxies. Votes may be cast in person or by written proxy. Proxies, to be valid, must be duly executed by the Owner as the appropriate person whose name appears on a certificate on file with the Community Association and must be received by the Secretary no later than the time of the meeting for which the proxy is specified to be effective.

SECTION 5.05 Quorum. Except as otherwise provided in these By-Laws, the presence in person or by proxy of twenty (20%) percent of each class of members of the Community Association shall constitute a quorum at the beginning of any annual or special meeting of members. If any meeting of members cannot be organized because a quorum has not attended, the members present, either in person, or by proxy, may adjourn the meeting from time to time, without notice other than announcement at the meeting, to a time not less than forty-eight (48) hours from the time the original meeting was called until a quorum as aforesaid shall be present or represented.

ARTICLE VI

Meetings of Members

SECTION 6.01 Place of Annual and Special Meetings. All annual and special meetings of the Community Association shall be held at the principal office of the Community Association or at such other suitable and convenient place as may be permitted by law and from time to time fixed by the Board of Directors and designated in the notices of such meetings.

SECTION 6.02 Date of Annual Meetings. Annual meetings of the members of the Community Association shall be held on such date each year as shall be fixed by the Board of Directors. At each annual meeting there shall be elected by a ballot of a majority of the members present at the meeting in person or by proxy and entitled to vote, the members of the Board of Directors of the Community Association in accordance with the provision of Article VII of these By-Laws. The members may also transact such other business as may properly come before the meeting.

SECTION 6.03 Notice of Annual Meetings. The Secretary shall mail notices of annual meetings to each member of the Community Association and" all eligible holders, guarantors and insurers of mortgages or the Lots, directed to his last known post office address as shown on the records of the Community Association, by regular mail, postage prepaid. Such notice shall be mailed not less than ten (10) nor more than sixty (60) days before the date of such meeting and shall state the date, time and place of the meeting and the purpose or purposes

thereof, the items on the agenda, including the general nature of any proposed amendment to the Declaration or these By-Laws. In lieu of mailing notice as herein provided, such notice may be delivered by hand to the members or left at their residence in their absence.

SECTION 6.04 Special Meeting. It shall be the duty of the President to call a special meeting of the members of the Community Association (a) whenever he is directed to do so by resolution of the Board of Directors; or (b) upon presentation to the Secretary of a petition, stating the specific purpose or purposes of such meeting, signed by thirty (30%) percent of Class A members entitled to vote at such meeting.

SECTION 6.05 Notice of Special Meetings. The Secretary shall mail notice of such special meeting to each member of the Community Association in the manner provided in Section 6.03, except that notice of such special meeting shall be mailed not less than ten (10) nor more than sixty (60) days before the date fixed for such meeting. In lieu of mailing notice as herein provided, such notice may be delivered by hand to a member or left at his residence in his absence. Such notice shall state the same items required in by Section 6.03 for notices of annual meetings. No business shall be transacted at any special meeting except as stated in the notice thereof unless by consent of two-thirds (2/3) of each class of the members present, either in person or by proxy.

SECTION 6.06 Order of Business. The order of business at all meetings of the members of the Community Association shall be as follows:

- (a) Roll call.
- (b) Proof of notice of meeting or waiver of notice.
- (c) Approval of minutes of preceding meeting.
- (d) Reports of officers and committees.
- (e) Election of members of the Board of Directors, if applicable to such meeting.
- (f) Unfinished business.
- (g) New business.
- (h) Adjournment.

ARTICLE VII

Board of Directors

SECTION 7.01 Number of Directors; Initial Directors.

(a) The affairs of the Community Association shall be governed by a Board of Directors consisting of three (3) persons. Members of the Board of Directors shall be Owners of Lots, provided however that officers, partners, directors or employees of an Owner (including the Declarant) may serve as a Director with the written authorization of the Owner. Directors shall serve until their successors take office. with respect to Lots owned by the Declarant, the Declarant shall be permitted to appoint and reappoint such members or successors without the necessity of obtaining resignations.

(b) The Initial Directors shall be appointed by the Declarant and, subject to the Declarant's right to remove, appoint and reappoint individuals to serve as Initial Directors, shall be replaced as follows: On or before the earlier to occur of (i) the expiration of one hundred twenty (120) days after the conveyance by the Declarant in the ordinary course of business of

the last Lot in the Lockwood Chase development to a purchaser; or (ii) June 30, 1986; the Owners of the Lots shall elect three (3) persons to replace those Directors appointed by the Declarant. Such election shall be deemed the "Transition Election."

SECTION 7.02 Term of Members. Directors (other than those appointed by the Declarant and replaced pursuant to Section 7.01(b) above) shall serve for terms of one (1) year each. At each annual meeting of the Community Association after the Transition Election, an election shall be held to elect three (3) persons to the Board of Directors to replace the members whose terms shall have expired as of such annual meeting. Directors shall serve without compensation.

SECTION 7.03 Nominations to Board of Directors.

(a) Except as provided for in Section 7.01 and in paragraph (b) below, Members of the Community Association may be nominated for election to the Board of Directors in one of the following ways:

(i) A member of the Board of Directors shall be deemed to have been nominated for re-election to that position held by his signifying his intention to seek re-election in writing addressed to the Board of Directors.

(ii) A Community Association member who is not a member of the Board of Directors and who desires to run for election to that position shall be deemed to have been nominated for election upon his filing with the Board of Directors a written petition of nomination bearing the genuine signature of the member desiring to run for election.

(b) with respect to nominations for the Transition Election, at least ninety (90) days before the last date for the Transition Election, the Declarant shall appoint an Ad Hoc Nomination Committee comprised of three (3) Lot Owners. Such Nomination Committee shall designate nominees for the Transition Election. Those persons receiving the three highest number of votes in the Transition Election shall serve until the first annual meeting held no later than one year after the Transition Election.

SECTION 7.04 Vacancy on Board of Directors. Except as provided in Section 7.01 hereof, if the office of any member of the Board of Directors shall become vacant by reason of his death, resignation, retirement, disqualification, removal from office or otherwise, the remaining members at a special meeting duly called for such purpose, shall choose a successor, who shall hold office until the next annual meeting of the Community Association and his re-election or the election of his successor at such meeting. In the event that there shall be a deadlock in the voting for a successor, a special meeting "of the members of Community Association shall be held to elect' a successor. The nomination and election procedures outlined in these By-Laws for elections held at annual meetings shall apply to such special election. The person so elected shall serve for the unexpired term in respect to which such vacancy occurred.

SECTION 7.05 Removal of Directors. Directors other than those representing the Declarant for Lots owned by the Declarant may be removed with or without cause, by ~ majority vote of each class of members of the Community Association at any special meeting of the members of which notice has been properly given as provided in the By-Laws, provided that the same notice of the said special meeting has also been given to said entire Board of Directors or any individual Director whose removal is to be considered at said special meeting.

SECTION 7.06 Organizational Meeting of the Board of Directors. No later than twenty (20) days following each annual meeting of the Community Association, the Board of Directors shall hold a regular meeting for purpose of organization, election of officers and transaction of other business. Notice of such meeting shall be given to all Directors in accordance with Section 7.08 except for the initial meeting which shall be called by "the person receiving the highest number of votes.

SECTION 7.07 Place of Meetings. All meetings of the Board of Directors shall be held at the principal office of the Community Association, or at any other place or places designated at any time by resolution of the Board of Directors or by written consent of all of the Directors. Meetings may be held by means of conference telecommunication, provided notice of such meeting shall specify that such meeting is to be held by such means rather than person.

SECTION 7.08 Regular Board of Directors Meetings. Regular meetings of the Board of Directors may be held at such time and place permitted by law as from time to time may be determined by the Board of Directors. Notice of regular meetings of the Board of Directors shall be given to each Director personally, by telegram, telephone or" by United States mail, with postage prepaid, directed to him at his last known post office address as the same appears on the records of the Community Association, at least five (5) and not more than thirty (30) days before the date appointed for such meeting. Such notice shall state the date, time and place of such meeting and the purpose thereof.

SECTION 7.09 Special Board of Directors Meetings. Special meetings of the Board of Directors may be called by the President of the Community Association on three (3) days written notice to each Director given in the same manner as provided in Section 7.08. Special meetings of the Board of Directors shall be called by the President or the Secretary in like manner upon the written request of any two (2) Directors.

SECTION 7.10 Waiver of Notice. Before any meeting of the Board of Directors, whether regular or special, any Director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. All such written waivers shall be filed with the records of the Community Association or made a part of the minutes of the meeting. Attendance by a Director at any meeting of the Board of Directors shall likewise constitute a waiver by him of such notice. If all Directors are present at any meeting of the Board of Directors, no notice of such meeting shall be required and any business may be transacted at such meeting except as prohibited by law or these By-Laws.

SECTION 7.11 Quorum. At all duly convened meetings of the Board of Directors, a majority of, the members thereof shall constitute a quorum for the transaction of business, except as otherwise expressly provided in these By-Laws or by law, and the acts of the majority of the Directors present at such 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 shall be less than a quorum present, the Director or Directors thereof present may adjourn the meeting from time to time, and at such adjourned meeting at which a quorum. is present, any business that might have been transacted at the meeting as originally called may be transacted without further notice to any Director.

SECTION 7.12 Consent in Writing. Any action by the Board of Directors 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. Such written consent or consents shall be filed with the minutes of the proceedings of the Board of Directors. Such action by written consent shall have the same force and effect as a unanimous vote of such Directors.

SECTION 7.13 Fees and Compensations. No Director or Officer shall receive any salary for his services as such.

SECTION 7.14 Presiding Officer. The President shall be the chief executive officer of the Community Association and shall preside at all meetings of the Board of Directors, and shall serve a term of one (1) year.

SECTION 7.15 Records. The Board of Directors shall cause to be kept a complete record of all of its acts and corporate affairs and to present a statement thereof to the members of the Community Association at annual meetings of the members of the Community association or at any special meeting where such statement is requested in writing by one-fourth (1/4) of the Community Association members entitled to vote.

SECTION 7.16 Powers and Duties. The Board of Directors shall have and exercise all lawful powers and duties necessary for the proper conduct and administration of the affairs of the Community Association and the operation and maintenance of the Community Facilities and may do or cause to be done all such other lawful acts and things as are now by law by these By-Laws directed or required to be done by members of the Community Association. In the performance of its duties as the administering body of the Community Association, in addition to those powers and duties set forth in the Declaration, the Board of Directors shall have powers and duties including, but not limited to, the following:

(a) The duty to provide for the operation, maintenance, cleaning, sanitation, renewal, replacement, care, upkeep, protection and surveillance of the Community Facilities and all property, real or personal, of the Community Association;

(b) The duty, consistent with law, to determine the expenses of the Community Association in the discharging of its powers and duties (the "Common Expenses") and assess the same against the Owners in accordance with the provisions of the Declaration. and these By-Laws;

(c) The duty to levy and collect, Annual Assessments for Common Expenses and Special Assessments in accordance with the Declaration;

(d) (1) The duty to use and expend any sums collected from such Annual and Special Assessments for the operation, maintenance, renewal, care, upkeep, surveillance and protection of the Community Facilities.

(2) The Board of Directors shall maintain a reserve fund adequate for the periodic maintenance, repair and replacement of the Community Facilities: The reserve fund shall be maintained out of regular Assessments for Common Expenses.

(e) The duty to maintain blanket fidelity bonds for all Directors, officers and employees of the Community Association and all other persons who handle or are responsible for funds of or administered by the Community Association. The total amount of fidelity bond coverage shall be adequate as determined by the best business judgment of the Board of Directors but not be less than the estimated maximum of funds, including reserve funds, in the custody of the Community Association or the management agent employed by the Community Association, as the case may be, at any given time during the term of each bond. However, in no event may the aggregate amount of such bonds be less than a sum equal to three months' aggregate assessments of the Community Association on all Units plus the reserve funds of the Community Association. Such fidelity bonds shall name the Community Association as an obligee; contain waivers by the issuers of all defenses based upon the exclusion of persons serving without compensation from the definition of "employees". or similar terms or expressions; provide that they may not be cancelled or substantially modified (including cancellation for non-payment of premium) without at least ten (10) days' prior written notice to the Community Association, to any insurance trustee and to any servicer on behalf of the Federal National Mortgage Association. The premiums for such fidelity bonds shall be paid by the Community Association as part of the Common Expenses.

(f) The duty to pay all taxes and assessments levied or assessed against any property that may be owned by the Community Association, exclusive of any taxes or assessments levied against any Owner or otherwise properly chargeable to the Owner.

(g) The power to employ and dismiss personnel of the Community Association, and to purchase or arrange for such services, machinery, equipment, tools, materials and supplies, as in the opinion of the Board of Directors may from time to time be necessary for the proper operation and maintenance of the Community Facilities;

(h) The power to enter into a contract for professional management of the Property and the Community Association at such price and upon such terms as shall be determined by the Board of Directors, to perform such duties and services as the Board of Directors may lawfully delegate. However, any such contract shall not be for a term in excess of two (2) years and shall provide for termination by either party with or without cause on sixty (60) days' written notice thereof to the other.

(i) The duty to collect delinquent Assessments and other charges made by the Community Association through the Board of Directors against any Lot and the Owner thereof, together with such costs and expenses incurred in connection therewith, including, but not limited to, court costs and attorneys' fees, whether by suit or otherwise, to abate nuisance and enforce observance of the rules and regulations relating to the Property, by injunction or such other legal action or means as the Board of Directors may deem necessary or appropriate.

(j) The power to employ or retain such counsel and consultants as may be deemed necessary by the Board of Directors for any proper purposes of the Community Association, and to fix their compensation for professional advice or services such as, but not limited to, those hereinbefore or hereinafter referred to in these By-Laws.

(k) The duty to cause such operating accounts, and escrow and other accounts, if any, to be established and opened as the Board of Directors may deem appropriate from time to time and as may be consistent with generally accepted accounting practices.

(l) The duty to adopt a budget for each calendar year which shall contain estimates of the cost and expenses of the Community Association, including, but not limited to, the following items:

(1) Common Expense budget which shall include without limiting the generality of the foregoing, the estimated amounts necessary for maintenance and operation of the Community Facilities and any and all other expenses related to the operations thereof including, but not limited to, common utility services, casualty and liability insurance, professional management expenses; administrative and office expenses and reserves and the costs associated with the administration of the Condominium Association;

(2) Amounts to be credited or allocated for reserves for replacements of those Community Facilities which require replacement, renovation or rehabilitation periodically. The Board of Directors shall accumulate and maintain reasonable reserves for replacements.

(3) Proposed Annual Assessment against each member for the calendar year.

(4) Copies of the proposed budget and proposed Assessments shall be distributed to all Owners at least thirty (30) days prior to the beginning of each calendar year and shall be available for inspection for all members of the Community Association during regular business hours at the Community Association's office or such other place designated by the Board of Directors. If the budget is subsequently amended before the Assessments are made, a copy of the amended budget shall also be distributed and made available for inspection. Nothing herein contained shall be construed as restricting the right of the Board of Directors in accordance with the Declaration to at any time levy a Special Assessment in the event that the budget originally adopted shall appear to be insufficient to pay the costs of the operation or management of the Property, or in the event of emergencies.

(m) The duty to cause a complete audit of the books and accounts of the Community Association to be made by a competent independent public accountant at the end of each fiscal year, and at such other time or times as may be deemed necessary. A copy of each such audit or a summary thereof shall be distributed to each Owner.

(n) The duty to maintain accounting records in accordance with generally accepted accounting principles.

(o) The power to make, and enforce compliance with, such reasonable rules and regulations relative to the operation, use and occupancy of the Property including, but not limited to penalties to be levied for violations of these By-Laws, the Declaration and any such rules and regulations as the Board of Directors shall adopt, and to amend the same from time to time as and when approved by appropriate resolutions which shall be binding on the Owners and occupants of Lots, their successors in title and assigns. A copy of such rules and regulations and copies of any amendments thereto shall be delivered or mailed to each Owner or occupant of a Lot promptly upon the adoption thereof.

(p) The duty to keep the Community Facilities, fixtures, equipment and personal property owned by the Community Association insured, as provided in the Declaration, for the benefit and protection of the Community Association and the Unit Owners. The Board of Directors shall have the power to name as an insured, on behalf of the Community Association, the Community Association's authorized representative, including any trustee with whom the Community Association may enter into any insurance trust agreement or any successor to such trustee (each of whom shall be referred to herein as the "Insurance Trustee"), who shall be given exclusive authority to negotiate losses under any policy providing property or liability insurance. The Community Association, by its Board of Directors, shall be required to receive, hold or otherwise properly dispose of any proceeds of insurance in accordance with the Declaration. The Community Association, or any Insurance Trustee or substitute Insurance Trustee designated by the Community Association, shall have the power to act as attorney-in-fact for the purpose of purchasing and maintaining such insurance, including: the collection and appropriate disposition of the proceeds thereof; the negotiation of losses and execution of releases of liability; the execution of all documents; and the performance of all other acts necessary to accomplish such purpose.

(q) The duty to establish depositories for the Community Association with such bank or banks as shall be designated from time to time by the Board of Directors and which monies of the Community Association shall be deposited. Withdrawal of monies shall be only by check signed by such persons as are authorized by the Board of Directors. The Board of Directors shall have the power to invest monies of the Community Association in such investments as the Board of Directors shall deem to be reasonably prudent.

(r) The power to borrow and-repay monies, giving notes, mortgages or other security, upon such term or terms as are deemed necessary, with the approval of at least sixty-seven (67%) percent of each class of members of the Community Association.

(s) The power to employ professional counsel" and receive advice from such persons and firms or corporations, such as, but not limited to, landscape architects, recreation experts, architects, planners, biologists, lawyers and accountants.

(t) The power to do all things-incident and necessary to the accomplishment of the above.

The duties and powers imposed on the Board of Directors by this Section 7.16 shall not be amended so as to reduce or eliminate any such duties or powers of the Board of Directors without the affirmative vote of members entitled to vote holding at least seventy-five (75%) percent of the total votes in the community Association.

SECTION 7.17 Declarant's Transition Requirements. Within thirty (30) days after the Transition Election, the Declarant shall relinquish control of the Community Association and shall deliver to the Community Association the following:

(a) The original, a certified copy or a photocopy of the recorded Declaration, provided if a photocopy is delivered, such photocopy shall reflect the recording information and shall be certified by an affidavit executed by the Declarant as a true and complete copy of the actual recorded Declaration; the Community Association Articles of Incorporation, if the Association is an incorporated association; the By Laws; minute books and other books and records of the

Community Association, if any; and any rules and regulations which may have been promulgated;

(b) Resignations of officers and members of the Board of Directors who may be required to resign by reason of replacement of Directors at the Transition Election;

(c) An accounting or accountings for association funds, which accounting or accountings shall have been reviewed by an independent certified public accountant;

(d) Association funds or control thereof;

(e) All tangible personal property that is necessary or has been used exclusively in the operation and enjoyment of the Open Space Sewage Treatment Facilities and/or other common or community facilities (the "Community Facilities"), or that is property of the Community Association and inventories of these properties;

(f) All insurance policies then in force, in which the Lot Owners, the Association or its Directors and officers are the named insureds;

(g) A list of Lot Owners and mortgagees and their addresses and telephone numbers, if known, as shown on the Declarant's records;

(h) Employment contracts in which the Association is or is to be one of the contracting parties;

(i) Service contracts in which the Association is or is to be one of the contracting parties or service contracts in which the Association or the Lot Owners have directly or indirectly an obligation or responsibility to pay some or all of the fee or charges of the person or persons performing the services;

(j) True and correct copies of deeds pursuant to which the Declarant conveys or has conveyed to the Community Association title to the open space at Community Facilities in the development.

ARTICLE VIII

Officers

SECTION 8.01 Officers. The officers of the Community Association shall be a President, Vice-President and Secretary/Treasurer. The officers shall be members of the Board of Directors.

SECTION 8.02 Election. The officers of the Community Association shall be elected annually by the Board of Directors at the organizational meeting after each election of Directors and shall hold office until their successors are elected or appointed by the Board of Directors, provided that each officer shall hold office at the pleasure of the Board of Directors and may be removed as an officer either with or without cause, and his successor elected at any annual or special meeting of the Board of Directors called for such purpose, upon the affirmative vote of a majority of the Directors. The Board of Directors may, from time to time, appoint such other

officers as in its judgment are necessary. Any officer may resign at any time by giving written notice to the Board of Directors or to the President or Secretary/Treasurer of the Community Association. Any such resignation shall take effect as of the date of the receipt of such notice or any later time specified therein; and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

SECTION 8.03 Vacancies. A vacancy in any office because of death, resignation, removal, disqualification or any other cause shall be filled in the manner prescribed in these By-Laws for regular appointments to such office.

SECTION 8.04 President. The President shall be the chief executive officer of the Community Association and shall preside at all meetings of the members and of the Board of Directors. He shall have the general powers and duties usually vested in -the office of the President of a community Association, including, but not limited to, the power to appoint ad hoc committees from among the members from time to time as he may deem appropriate to assist in the conduct of the affairs of the Community Association. The President shall be an ex-officio member of all standing committees, if any. He shall execute such deeds, contracts and other instruments, in the name and on-behalf of the Community Association and under its corporate seal when a seal is required, except when such documents are required or permitted by law to be otherwise executed, and except when the signing and execution thereof shall be delegated by the Board of Directors to another officer or agent of the Community Association.

SECTION 8.05 Vice-President. The Vice President shall take the place of the President and p-perform his duties whenever the President shall be absent or unable to act. If neither the President nor the Vice-President is able to act, the Board of Directors shall appoint some other member of the Board of Directors to do so on an interim basis. The Vice-President shall also perform such other duties as shall from time to time be imposed upon him by the Board of Directors or these By-Laws.

SECTION 8.06 Secretary/Treasurer.

(a) The Secretary/Treasurer shall attend all meetings of the Board of Directors and all meetings of the members and record all votes and the minutes of all meetings and proceedings, including resolutions, in a Minute Book to be kept for that purpose, and shall perform the duties for any committees, when required. He shall have charge of the Minute Book and such records and papers as the Board of Directors shall direct, and perform all duties incident to the office of Secretary, including the sending of notice of meetings to the members, the Board of Directors and committees, and such other duties as may be prescribed by these By-Laws or by the Board of Directors or the President. He shall also have custody of the corporate seal, and when authorized by the Board of Directors affix the same to any instrument requiring it and attest the same when appropriate. The Secretary/Treasurer shall keep, or cause to be kept, at the principal office of the Community Association, a membership register showing the following:

- (i) the names and addresses of all members of the Board of Directors;
- (ii) the names of the Members and their addresses;
- (iii) the Unit as to which each membership relates; and
- (iv) the number of memberships held by each member.

(b) The Secretary/Treasurer shall have responsibility for the Community Association's funds and securities, and shall keep full and accurate accounts of receipts and disbursements in books belonging to the Community Association, and shall deposit all monies, checks and other

valuable effects in the name and to the credit of the Community Association, in such depositories as may from time to time be designated by the Board of Directors. He shall disburse the funds of the Community Association as may from time to time be ordered by the Board of Directors or by the President, and shall render to the President and the Directors at the regular meetings of the Board of Directors, or whenever they or either of them shall require, an account of his transactions as secretary/Treasurer and of the financial condition of the Community Association. Nothing shall prohibit functions of the Secretary/Treasurer to be delegated to an agent of the Community Association provided such delegation is approved by resolution of the Board of Directors. The delegation of such duties of the Treasurer shall not relieve the Treasurer from any responsibility related to overseeing and reviewing any duties performed by such agent.

SECTION 8.07 Compensation. The officers of the Community Association shall serve without compensation except that they shall be entitled to reimbursement for all expenses reasonably incurred in the discharge of their duties.

ARTICLE IX

Committees

SECTION 9.01 Committees. The Board of Directors shall have the right to create and terminate such committees from time to time as the Board of Directors shall deem appropriate and to delegate to such committees various duties and powers subject to the ultimate responsibility and authority of the Board of Directors. Unless otherwise provided herein, each committee formed by the Board of Directors shall consist of a Chairman and two (2) or more members one of whom shall be a director for contact with the Board of Directors. Other than ad hoc Committees formed by the Board of Directors for a limited purpose and to serve a limited period of time including such committees as may be formed by the Board of Directors prior to the first annual meeting of the Association, the committees shall be appointed by the Board of Directors within forty-five (45) days after each annual meeting, to serve for a term of one (1) year or until new members are appointed~ Appointments of all committees and their members shall be announced by publication to members of the Community Association.

ARTICLE X

Association Books and Records

SECTION 10.1 Association Books and Records. The Board of Directors shall make available to the Owners and to the holders, insurers or guarantors of first mortgages on any of the Lots current copies of the Declaration, these By-Laws, rules and regulations and the books, records and financial statements of the Community Association. For purposes of this paragraph, "available" shall mean available for inspection, upon request, during normal business hours at the office of the Community Association. Any holder, insurer or guarantor of a first mortgage shall be entitled, upon written request, to an audited financial statement for the immediately preceding fiscal year, free of charge to the party so requesting (provided the cost of copies such requested financial statement may be assessed by the Community Association against the Owner of a Lot against which the requesting party insures or guarantees a lien).

ARTICLE XI
Amendments To By-Laws

SECTION 11.01 Amendments To By-Laws. Except as otherwise provided herein, these By-Laws may be amended from time to time by the affirmative vote, in person or by proxy, of the members representing at least fifty-one (51%) percent of the votes in the Community Association. No amendment shall be made to these By-Laws, while the Declarant owns any Lot in the Development, so as to affect or change any owner granted to or reserved by the Declarant, without the written consent of the Declarant.

ARTICLE XII
Termination

SECTION 12.01 Termination. In the event the Community Association is terminated in its entirety or the Declaration revoked. pursuant to the provisions of the Declaration, the Community Association shall remain in existence until the distribution of assets, allocation of interests and/or all other aspects of the termination have been completed.

ARTICLE XIII
Miscellaneous

SECTION 13.01 Delegation of Authority. The Board of Directors may authorize any officer or officers, agent or agents, to enter into any contract or execute any instrument in the name and on behalf of the Community Association, and such authority may be general or confined to specific instances; and, unless so authorized by the Board of Directors, no officer, agent or other person shall have any power or authority to bind the Community Association by any contract or engagement or to pledge its credit or to render it liable for any purpose or to any amount.

SECTION 13.02 Inspection of By-Laws. The Community Association shall keep in its principal office the original or a copy of these By-Laws, as amended or otherwise altered to date, certified by the Secretary, which shall be open to inspection by the members at all reasonable times during office hours.

SECTION 13.03 Membership Minutes. The membership register and minutes of proceedings of the Community Association members and Board of Directors shall be open to inspection upon demand of any member at any reasonable time during office hours of the Community Association, and for a purpose reasonably related to his interest as a member.

SECTION 13.04 Construction. Number and gender, as used in these By-Laws, shall extend to and include both singular and plural and all genders as the context and construction requires.