

**BYLAWS OF**  
**MIRAMONT RESIDENTIAL**  
**COMMUNITY OWNERS ASSOCIATION, INC.**



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COMMUNITY OWNERS ASSOCIATION, INC.**

**ARTICLE 1: DEFINITIONS**

Certain terms as used in these bylaws shall be defined as follows:

1.01 "Act" means the Texas Non-Profit Corporation Act (Article 1396 et seq. of the Texas Revised Civil Statutes), as amended.

1.02 "Board of Directors" or "Board" means the Board of Directors of the Corporation.

1.03 "Corporation" means Miramont Residential Community Owners Association, Inc., a Texas non-profit corporation.

1.04 "Declaration" means the Declaration of Covenants, Conditions and Restrictions for Miramont Residential Community dated as of July 1, 2003, and recorded in Volume 5420, Page 1 of the Official Records of Brazos County, Texas, as amended or supplemented from time to time.

1.05 "Project" means the real property from time to time covered by the Declaration, together with all buildings, improvements and other property located thereon from time to time.

1.06 All other capitalized terms used in these bylaws and not otherwise defined herein shall have the meaning ascribed to such terms in the Declaration.

**ARTICLE 2: OFFICES**

2.01 Registered Office and Agent. The initial registered office of the Corporation shall be at 1111 Briarcrest Drive, Suite 300, Bryan, Texas 77802. The name of the registered agent at such address is Joel C. Ross.

2.02 Other Offices. The Corporation may also have offices at such other places, both within and without the State of Texas, as the Board of Directors may from time to time determine or the business of the Corporation may require.

### **ARTICLE 3: MEMBERS**

3.01 Membership. Each Owner shall be a member of the Corporation and no other person or entity shall be entitled to membership. No member shall be required to pay any consideration whatsoever solely for his membership in the Corporation.

3.02 Classes of Membership and Voting Rights. The Corporation shall have two (2) classes of voting membership:

1. Class A Membership. Class A Members shall be all Owners, with the exception of the Declarant (until such time as Declarant becomes a Class A Member, pursuant to this Section 3.02). Subject to the provisions of the Declaration, Class A Members shall be entitled to:

(a) One (1) vote for each Lot owned by such Member (whether or not such Lot has been improved with a residential structure); and

(b) One (1) vote for each and every 15,000 square feet of the real estate owned by such member out of and a part of the Residential Property which does not constitute either (i) a Lot or (ii) a portion of the Common Area. Fractional votes to which any Class A Member may be entitled pursuant to this Subsection (b) shall be rounded off to the nearest one-quarter (1/4) vote.

2. Class B Membership. The Class B Member shall be Declarant. The Class B Member shall appoint all of the members of the Board during the Class B Control Period, and shall otherwise have and retain, during such period, plenary rights over the operation and administration of the Association, the Board, and all committees of the Board. Subject to the provisions of the Declaration, the Class B Member shall be entitled to:

(a) Ten (10) votes for each Lot owned by such Member (whether or not such Lot has been improved with a residential structure); and

(b) Ten (10) votes for each and every 15,000 square feet of the real estate owned by such member out of and a part of the Residential Property which does not constitute either (i) a Lot or (ii) a portion of the Common Area. Fractional votes to which any Class B Member may be entitled pursuant to this Subsection (b) shall be rounded off to the nearest one-quarter (1/4) vote.

The Class B Membership shall cease and be converted to Class A Membership on the happening of the earlier of the following events:

(1) When the total number of votes outstanding in the Class A Membership is greater than the total number of votes outstanding in the Class B Membership; or

(2) On the twentieth (20<sup>th</sup>) anniversary of the recording of the Declaration in the office of the County Clerk of Brazos County, Texas.

3. Suspension of Voting Rights. The voting rights of any member are subject to suspension as provided in the Declaration.

#### **ARTICLE 4: MEETINGS OF MEMBERS**

4.01 Place of Meetings. Meetings of the members of the Corporation may be held at such place within or without the State of Texas, as shall be stated in the notice of the meeting or in a duly executed waiver of notice thereof.

4.02 Annual Meeting. The first annual meeting of the members of the Corporation shall be held no later than ninety (90) days after the conversion of the Class B Membership to Class A Membership, as described in Paragraph 3.02. Such first annual meeting shall be called by the Board of Directors. Thereafter, an annual meeting of the members of the Corporation shall be held in each succeeding year within one hundred twenty (120) days following the close of the fiscal year, on such date and at such time as shall be designated from time to time by the Board of Directors and stated in the notice of meeting, if not a legal holiday, and if a legal holiday, then on the next full business day following, at which time the members shall elect a Board of Directors, and shall transact such other business as may properly be brought before the meeting.

4.03 Special Meetings. Special meetings of the members may be called for any purpose or purposes, unless otherwise prescribed by statute, the articles of incorporation of the Corporation, these bylaws or the Declaration. Prior to the first annual meeting of the members of the Corporation, special meetings of the members may be called only by the President or the Board of Directors of the Corporation. After the first annual meeting of the members of the Corporation, special meetings of the members may be called by the President or the Board of Directors of the Corporation, or by members holding not less than ten percent (10%) of the total number of votes (determined in accordance with Paragraph 3.02) entitled to be cast by all members. Only such business shall be transacted at a special meeting as may be stated or indicated in the notice of such meeting.

4.04 Notice. Written or printed notice stating the place, day, and hour of the meeting of members and, in case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than ten (10) nor more than sixty (60) days before the date of the meeting, either personally or by mail, by or at the direction of the President, the Secretary, or the officer or person calling the meeting, to each member of the Corporation entitled to vote at such meeting. If

mailed, such notice shall be deemed to be delivered, whether or not actually received, when deposited in the United States mail addressed to the member at his address as it appears on the membership list of the Corporation, with postage thereon prepaid.

4.05 Voting List. At least ten (10) days before each meeting of members the Secretary shall prepare a complete list of members entitled to vote thereat, arranged in alphabetized order, with the address of each. For a period of ten (10) days prior to such meeting, such list shall be kept on file at the registered office of the Corporation and shall be subject to inspection by any member during regular business hours. Such list shall be produced at such meeting, and at all times during such meeting shall be subject to inspection by any member.

4.06 Quorum. Except as provided by statute or the Declaration, the presence in person or by proxy of members representing more than ten percent (10%) of the total number of votes (determined in accordance with Paragraph 3.02) entitled to be cast by all members shall constitute a quorum at all meetings for the transaction of business. If a quorum shall not be present or represented by proxy at any meeting of the members, the members entitled to vote thereat, present in person or represented by proxy, shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting until a quorum shall be present or represented. At an adjourned meeting at which a quorum shall be present or represented by proxy, any business may be transacted which might have been transacted at the original meeting.

4.07 Majority Vote; Withdrawal of Quorum. When a quorum is present at any meeting, the vote of a majority of the total number of votes (determined in accordance with Paragraph 3.02) entitled to be cast by those members qualified to vote and present in person or represented by proxy at such meeting shall decide any question brought before such meeting, unless the question is one upon which by express provision of the statutes, the articles of incorporation of the Corporation, these bylaws or the Declaration, a different vote is required, in which case such express provision shall govern and control the decision of such question. The members present in person or by proxy at a duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal of enough members to leave less than a quorum.

4.08 Method of Voting; Proxies. Subject to the provisions of the Declaration, each member shall be entitled to a vote, the value of which vote shall equal the total number of votes attributable to the portions of the Residential Property owned by such member as set forth in Paragraph 3.02. No member, other than Declarant, shall be entitled to vote at any meeting of the Corporation until such member has presented to the Board of Directors evidence of ownership of a Lot. The vote of each member may only be cast by such member or by a proxy executed in writing by a member or his duly authorized attorney-in-fact. Each such proxy shall be filed with the Secretary of the Corporation prior to or at the time of the meeting. No proxies shall be valid after eleven (11) months from the date of its execution unless otherwise provided in the proxy. If no date is stated on a proxy, such proxy shall be presumed to have been executed on the date of the meeting at which it is to be voted on. Each proxy shall be revocable unless expressly provided therein to be irrevocable or unless otherwise made irrevocable by law. If title to a Lot shall be in the name of two or more persons as Owners, all of such persons shall be members of the Corporation and are referred

to herein as "Joint-Owners"; provided, however, that such Joint-Owners shall be considered as only one Owner for the purposes of determining voting rights under Paragraph 3.02. Any one of such Joint-Owners may vote at any meeting of the members of the Corporation and such vote shall be binding upon such other Joint-Owners who are not present at such meeting unless written notice to the contrary has been received by the Board of Directors in which case the unanimous vote of all such Joint-Owners (in person or by proxy) shall be required to cast their vote as members. If two or more of such Joint-Owners are present at any meeting, their unanimous action shall also be required to cast their vote as members of the Corporation.

4.09 Cumulative Voting Denied. At all meetings of the members of the Corporation, cumulative voting shall not be permitted.

4.10 Officers. The President shall preside at, and the Secretary shall keep the records of, each meeting of members. In the absence of the President, his duties shall be performed by the Vice President. In the absence of the Secretary, his duties shall be performed by some person present at the meeting and appointed by the President (or, in the President's absence, the Vice President designated by the President or, absent each designation, another Vice President). If the President and the Vice Presidents are both absent, the President's duties at such meeting shall be performed by some person present at the meeting and appointed by the members present in person or represented by proxy at the meeting.

## **ARTICLE 5: DIRECTORS**

5.01 Management. The business and affairs of the Corporation shall be managed by the Board of Directors and, subject to the restrictions imposed by law, the articles of incorporation of the Corporation, these bylaws and the Declaration, the Board of Directors may exercise all the powers of the Corporation, including, without limitation, the following powers:

(a) If, as and when the Board of Directors, in its sole discretion, deems necessary, it may take such action to enforce the terms and provisions of the Declaration, the articles of incorporation of the Corporation and/or these bylaws by appropriate means and carry out the obligations of the Corporation as provided therein, including without limitation, the expenditure of funds of the Corporation, the employment of legal counsel, the engagement of accounting services and management services, the commencement of legal causes of action, the promulgation and enforcement of the rules for the Project, which may include the establishment of a system of fines and/or penalties enforceable as Specific Individual Assessments as provided in Article XI of the Declaration, and to enjoin and/or seek legal damages from any Owner for violation of such provisions or rules;

(b) To acquire, maintain in good repair and condition (reasonable wear and tear and damage from casualty excepted), and otherwise manage the Common Area and all facilities, improvements and landscaping thereon, and all personal property acquired or owned by the Corporation; and to maintain in good repair and

condition (reasonable wear and tear and damage from casualty excepted) the Areas of Common Responsibility (other than the Common Area) and all facilities, improvements and landscaping thereon;

(c) To execute all declarations of ownership for tax assessment purposes and to pay any and all real property taxes and other charges or assessments assessed against the Common Area and real and personal property owned by the Corporation, unless the same are separately assessed to all or any of the Owners;

(d) To obtain, for the benefit of the Areas of Common Responsibility (including the Common Area), all water, gas and electric services, refuse collections, landscape maintenance services and other services, which in the opinion of the Board of Directors shall be necessary or proper;

(e) To make such dedications and grant such easements, licenses, franchises or other rights which in its opinion are necessary or desirable for street, right-of-way, utility, sewer, drainage and other similar facilities or video services, cable television services, security services, communication services and other similar services over the Common Area to serve the Residential Property or any part thereof;

(f) To contract for and maintain such policy or policies of insurance as may be required by the Declaration or as the Board of Directors deems necessary or desirable in furthering the purposes of and protecting the interest of the Corporation and its members, including insurance for Areas of Common Responsibility;

(g) To borrow funds to pay costs of operation secured by assignment or pledge of its rights against delinquent Owners to the extent deemed advisable by the Board of Directors;

(h) To enter into contracts for legal, management and accounting services, maintain one or more bank accounts, and generally, to have the powers necessary or incidental to the operation and management of the Corporation and the Common Area;

(i) To enter into purchase agreements or leases on behalf of the Corporation for the acquisition or lease of equipment, fixtures, furniture, statues and other works of art, and other items of personal property in connection with the operation and management of the Corporation, the enhancement of the Common Area or the general benefit of the members;

(j) If, as and when the Board of Directors, in its sole discretion, deems necessary, it may take action to protect or defend the Common Area or other property of the Corporation from loss or damage by suit or otherwise;

(k) To sue and defend in any court of law on behalf of the Corporation or one (1) or more members thereof;

(l) To establish and maintain a working capital and/or contingency fund in an amount to be determined by the Board of Directors;

(m) To make reasonable rules and regulations for the operation and use of the Common Area and to amend same from time to time; provided, however, that any rule or regulation may be amended or repealed in a regular or special meeting by the vote of members representing at least two-thirds (2/3) of the total Class A votes in the Association (determined in accordance with Paragraph 3.02 hereof) and by Declarant (so long as Declarant, or an Affiliate of Declarant, owns any portion of the Residential Property or the Country Club Real Property).

(n) To adjust the amount, collect and use any insurance proceeds to repair damage to or replace loss of property owned by the Corporation, and if the proceeds are insufficient to repair damage to or replace loss of property owned by the Corporation, to assess the members in proportionate amounts to cover the deficiency as set forth in the Declaration;

(o) To provide services for the benefit of members, that may include but not be limited to, security, entertainment, recreation, education and cable television;

(p) To delegate its powers and duties to committees, officers, agents or employees, employ a manager or other persons and contract with independent contractors or managing agents who have professional experience to perform all or any part or the duties and responsibilities of the Board of Directors, provided that any contract with a person or entity appointed as a manager or managing agent, with respect to any time after the date upon which the Class B Membership ceases and converts to a Class A Membership, shall have a term of not more than one (1) year with successive one (1) year renewal periods upon the mutual agreement of the parties; and

(q) Any and all other powers of the Board of Directors set forth in the articles of incorporation of the Corporation, these bylaws or the Declaration, or reasonably necessary for the Corporation to perform its duties and obligations thereunder.

5.02 Number; Qualification; Election; Term. The initial Board of Directors designated in the articles of incorporation shall consist of three (3) directors, none of whom need be members of the corporation or residents of the State of Texas. During the period prior to the first annual meeting of the members, the Board of Directors may, by vote of a majority of the Board of Directors, increase the number of directors of the Corporation; provided, however, that in no event shall the Corporation have more than ten (10) directors. At the first annual meeting of the members, the directors of the Corporation, all of whom shall be members of the Corporation or representatives of

corporations, partnerships or other entities which are members of the Corporation (or spouses of members of the Corporation), shall be elected by a plurality of votes cast in person or by proxy. At such first annual meeting of the members, the directors shall be divided into two (2) classes consisting of Class 1 and Class 2. If the total number of directors of the Corporation is an even number, there shall be an equal number of Class 1 directors and Class 2 directors. If the total number of directors of the Corporation is an odd number, there shall be one more Class 1 director than Class 2 directors. The term of office shall expire for those in Class 1 at the next annual meeting of the members following their election; and for those in Class 2 at the second annual meeting of the members following their election. At each annual election held after the first meeting of members, directors chosen to succeed those whose terms expire shall be elected for a term of office to expire at the second annual meeting of members after their election. The directors shall serve without compensation.

5.03 Removal; Change in Number; Vacancies. During the period prior to the first annual meeting of the members, any director may be removed either with or without cause only by the Declarant. Subsequent to the first annual meeting of the members, any director may be removed either with or without cause, at any annual or special meeting of the members of the Corporation by the affirmative vote of two-thirds (2/3) or more of the total number of votes (determined in accordance with Paragraph 3.02) entitled to be cast by those members qualified to vote and present in person or represented by proxy at such meeting, provided that notice of the intention to act upon such matter must have been given in the notice calling any such special meeting. If any vacancy occurs in the Board of Directors prior to the first annual meeting of the members (whether by death, resignation, an increase in the number of directors of the Corporation, or otherwise), such vacancy shall be filled by a person or persons designated by Declarant. If any vacancy occurs in the Board of Directors after the first annual meeting of the members (whether by death, resignation, disqualification, or otherwise), a successor or successors may be chosen by the affirmative vote of a majority of the remaining directors though less than a quorum of the Board of Directors, and each successor director so chosen shall be elected for the unexpired term of his predecessor in office; provided, however, that any directorship to be filled by reason of the removal of a director or due to an increase in the number of directors after the first annual meeting of the members shall be filled by election at an annual meeting of members or at a special meeting of members called for that purpose.

5.04 Place of Meetings. Except as otherwise provided by statute, the directors of the Corporation shall hold their meetings, both regular and special, within or without the State of Texas, at such place and time as the Board of Directors may from time to time determine.

5.05 First Meeting. The first meeting of each newly elected Board of Directors shall be held without further notice immediately following the first annual meeting of members of the Corporation, and at the same place, unless by unanimous consent of the directors then elected and serving such time or place shall be changed.

5.06 Regular Meetings. Regular meetings of the Board of Directors may be held without notice at such time and place as shall from time to time be determined by the Board of Directors.

5.07 Special Meetings. Special meetings of the Board of Directors may be called by the President on two (2) days' notice to each director, either personally or by mail or by telegram; special meetings shall be called by the President or Secretary in like manner and on like notice on the written request of two (2) or more directors. Except as may be otherwise expressly provided by statute, the articles of incorporation of the Corporation, these bylaws and the Declaration, neither the business to be transacted at, nor the purpose of, any special meeting of the Board of Directors need be specified in a notice or waiver of notice of such meeting.

5.08 Quorum. At all meetings of the Board of Directors the presence of a majority of the number of directors shall be necessary and sufficient to constitute a quorum for the transaction of business; and the act of a majority of the directors present at any meeting at which there is a quorum shall be the act of the Board of Directors, except as may be otherwise specifically provided by statute, the articles of incorporation of the Corporation, these bylaws and the Declaration. If a quorum shall not be present at any meeting of directors, the directors present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present.

5.09 Committees Having Board Authority. The Board of Directors may, by resolution passed by a majority of the whole Board, designate one or more committees, to consist of two (2) or more persons, a majority of whom are directors of the Corporation. Any such committee, to the extent provided in said resolution, shall have and may exercise all of the authority of the Board of Directors in the management of the business and affairs of the Corporation, except where action of the full Board of Directors is required by statute, the articles of incorporation of the Corporation or the Declaration.

5.10 Other Committees. Other committees not having and exercising the authority of the Board of Directors in the management of the affairs of the Corporation may be designated and appointed by a resolution adopted by a majority of the directors at a meeting at which a quorum is present, or by the President, if authorized by a like resolution of the Board of Directors. Membership on such committees may, but need not be, limited to directors or members of the Corporation.

5.11 Procedure. At meetings of the Board of Directors, business shall be transacted in such order as from time to time the Board of Directors may determine. The President shall preside at all meetings, and in his absence, a chairman shall be chosen by the Board of Directors from among the directors present. The Secretary of the Corporation shall act as the secretary of the meetings of the Board of Directors unless the Board appoints another person to act as secretary of the meeting. The Board of Directors shall keep regular minutes of its proceedings which shall be placed in the minute book of the Corporation. All committees shall keep regular minutes of their proceedings and shall report the same to the Board of Directors when required.

5.12 Managing Agents. The Board of Directors may employ for the Corporation a management agent at a compensation established by the Board of Directors and such management agent shall perform such duties and services with respect to the Project as the Board of Directors

shall authorize (subject to the express right of the Board of Directors to terminate such management agent), and the Board of Directors may delegate to such management agent such duties with respect to management, repair, and maintenance of the Project which are not by statute, the articles of incorporation of the Corporation, these bylaws and the Declaration required to be performed by or have the approval of the Board of Directors or the members of the Corporation.

## **ARTICLE 6: NOTICES**

6.01 Method. Whenever by statute, the articles of incorporation of the Corporation, these bylaws and/or the Declaration, notice is required to be given to any director or member, and no provision is made as to how such notice shall be given, it shall not be construed to mean personal notice, but any such notice may be given (a) in writing, by mail, postage prepaid, addressed to such director or member at such address as appears on the records of the Corporation, or (b) by any other method permitted by law. Any notice required or permitted to be given by mail shall be deemed to be given, whether or not actually received, at the time when the same shall be deposited in the United States mail as aforesaid. Any notice required or permitted to be given by telegram shall be deemed to be delivered and given at the time transmitted with all charges prepaid and addressed as aforesaid.

6.02 Waiver. Whenever any notice is required to be given to any member or director of the Corporation by statute, the articles of incorporation of the Corporation, these bylaws and/or the Declaration, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated in such notice, shall be deemed equivalent to the giving of such notice. Attendance of a member or director at a meeting shall constitute a waiver of notice of such meeting, except where such person attends for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called or convened.

## ARTICLE 7: OFFICERS

7.01 Number; Titles. The officers of the Corporation shall be elected by the directors from among the members of the Board of Directors and shall be a President, one or more Vice Presidents, a Secretary, a Treasurer, and such other officers as the Board of Directors may from time to time elect or appoint. Any two or more offices may be held by the same person except that the offices of President and Secretary shall not be held by the same person. None of the officers need be a resident of the State of Texas.

7.02 Election. The Board of Directors at its first meeting after each annual meeting of members shall choose a President, one or more Vice-Presidents, a Secretary, and a Treasurer, all of whom shall be members of the Board.

7.03 Other Officers. The Board of Directors may appoint such other officers and agents as it shall deem necessary, who shall be appointed for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the Board of Directors.

7.04 Salaries. The salaries of all officers and agents of the Corporation, if any, shall be fixed by the Board of Directors.

7.05 Term of Office. Each officer of the Corporation shall hold office until the annual meeting of the Board of Directors next following his election and thereafter until his successor is chosen and qualified in his stead or until his death or resignation or removal from office. Any officer or agent elected or appointed by the Board of Directors may be removed at any time, with or without cause, by the affirmative vote of a majority of the whole Board of Directors, but such removal shall be without prejudice to the contract rights, if any, of the person so removed. If the office of any officer becomes vacant for any reason, the vacancy may be filled by the Board of Directors.

7.06 President. The President shall be the chief executive officer of the Corporation, shall preside at all meetings of the members and of the Board of Directors, shall have general and active management of the business and affairs of the Corporation, shall see that all orders and resolutions of the board are carried into effect, and shall perform such other duties as the Board of Directors shall prescribe.

7.07 Vice Presidents. Each Vice President shall have such powers and perform such duties as the Board of Directors may from time to time prescribe or as the President may from time to time delegate to him. Any action taken by a Vice President in the performance of the duties of the President shall be conclusive evidence of the absence or inability to act of the President at the time such action was taken.

7.08 Secretary. The Secretary shall attend all sessions of the Board of Directors and all meetings of the members and record all votes and the minutes of all proceedings in a book to be kept for that purpose and shall perform like duties for any committees when required. He shall give, or

cause to be given, notice of all meetings of the members and special meetings of the Board of Directors, and shall perform such other duties as may be prescribed by the Board of Directors or President, under whose supervision he shall be.

7.09 Assistant Secretaries. Each Assistant Secretary shall have such powers and perform such duties as the Board of Directors may from time to time prescribe or as the President may from time to time delegate to him.

7.10 Treasurer. The Treasurer shall have the custody of the corporate funds and securities and shall keep full and accurate accounts of receipts and disbursements of the Corporation and shall deposit all moneys and other valuable effects in the name and to the credit of the Corporation in such depositories as may be designated by the Board of Directors. He shall disburse the funds of the Corporation as may be ordered by the Board of Directors, taking proper vouchers for such disbursements, and shall render to the President and directors, at the regular meetings of the Board, or whenever they may require it, an account of all his transactions as treasurer and of the financial condition of the Corporation, and shall perform such other duties as the Board of Directors may prescribe. If required by the Board of Directors, he shall give the Corporation a bond (the premium for which shall be paid by the Corporation) in such form, in such sum, and with such surety or sureties as shall be satisfactory to the Board for the faithful performance of the duties of his office and for the restoration to the Corporation, in case of his death, resignation, retirement, or removal from office, of all books, papers, vouchers, money, and other property of whatever kind in his possession or under his control belonging to the Corporation.

7.11 Assistant Treasurers. Each Assistant Treasurer shall have such powers and perform such duties as the Board of Directors may from time to time prescribe.

## **ARTICLE 8: MISCELLANEOUS PROVISIONS**

8.01 Reserves. There may be created by resolution of the Board of Directors such reserve or reserves as the directors from time to time, in their discretion, think proper to provide for contingencies, or to repair or maintain any portion of the Project, or for such other purposes as the directors shall think beneficial to the Corporation, and the directors may modify or abolish any such reserve in the manner in which it was created. Notwithstanding the foregoing, the Corporation is hereby authorized, without any further action by the Board of Directors, to establish any reserves provided for, required by or contemplated by the Declaration.

8.02 Checks. All checks or demands for money and notes of the Corporation shall be signed by such officer or officers or such other person or persons as the Board of Directors may from time to time designate.

8.03 Books and Records. The Corporation shall keep correct and complete books and records of account, shall keep minutes of the proceedings of its members and Board of Directors and

shall keep at its registered office a record of its members, giving the names and addresses of all members.

8.04 Fiscal Year. The fiscal year of the Corporation shall be fixed by resolution of the Board of Directors.

8.05 Seal. The corporate seal, if any, shall be in such form as may be determined by the Board of Directors. Said seal may be used by causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise.

8.06 Indemnification. The officers and directors shall not be liable to the members of the Corporation for any mistake in judgment, except for breach of fiduciary duty, gross negligence, or misconduct in the performance of duty. The officers and directors shall have no personal liability with respect to any contract or other commitment made by them, in good faith, on behalf of the Corporation (except to the extent that any and all members of the Corporation may be liable therefor), and the Corporation shall indemnify and forever hold each such officer and director free and harmless against any and all liability to others on account of any such contract or commitment. To the fullest extent permitted by Section 2.22A of the Act, the Corporation shall (a) indemnify any director, officer, or employee, or former director, officer, or employee of the Corporation, and (b) pay or reimburse reasonable expenses incurred by any director, officer, or employee, or former director, officer or employee. The Corporation may obtain a policy of liability insurance with an aggregate limit of at least \$1,000,000, or such lesser amount as may be obtainable on commercially practicable terms, insuring such directors, officers, employees, or former directors, officers, or employees against any liability asserted against such person and incurred by such person in such a capacity or arising out of such person's serving in such a capacity, whether or not the Corporation would have the power to indemnify such person against that liability under this Paragraph 8.06.

8.07 Common or Interested Directors or Officers. Each director and officer shall exercise his powers and duties in good faith and with a view to the interests of the Corporation. No contract or other transaction between the Corporation and any of its directors or officers, or between the Corporation and any corporation, firm, or association (including Declarant) in which any of the directors or officers of the Corporation are directors or officers, have a financial interest, or are otherwise interested, is either void or voidable because any such director or officer is present at the meeting of the Board of Directors or any committee thereof which authorizes or approves the contract or transaction, or because his vote is counted for such purpose, if any of the conditions specified in any of the following subparagraphs exists:

- (a) The fact of the common directorate or interest is disclosed or known to the Board of Directors or a majority thereof or noted in the minutes, and the Board of Directors authorizes, approves or ratifies such contract or transaction in good faith by a vote sufficient for the purpose, or
- (b) The fact of the common directorate or interest is disclosed or known to at least a majority of the members of the Corporation (by percentage), and the

members approve or ratify the contract or transaction in good faith by a vote sufficient for the purposes; or

- (c) The contract or transaction is commercially reasonable to the Corporation at the time it is authorized, ratified, approved or executed.

Any common or interested directors or officers may be counted in determining the presence of a quorum of any meeting of the Board of Directors or committee thereof which authorizes, approves, or ratifies any contract or transaction, and may vote thereat to authorize any contract or transaction with like force and effect as if such director or officer were not such director or officer of the Corporation or not so interested.

8.08 Inconsistencies. In the event these bylaws shall be inconsistent or conflict with the provisions of the articles of incorporation of the Corporation or the Declaration, then the provisions of the articles of incorporation of the Corporation and the Declaration shall be controlling.

8.09 Resignation. Any director or officer may resign by giving written notice to the President or the Secretary. Such resignation shall take effect at the time specified therein, or immediately if no time is specified therein. Unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

8.10 Invalid Provisions. If any part of these bylaws shall be invalid or inoperative for any reason, the remaining parts, so far as is possible and reasonable, shall be valid and operative.

8.11 Amendment of Bylaws. These bylaws may be altered, amended, or repealed by the Board of Directors, subject to the concurrent right of the members of the Corporation to alter, amend or repeal these bylaws by the affirmative vote of sixty-seven percent (67%) of the total number of votes (determined in accordance with Paragraph 3.02) held by members of the Corporation. Notwithstanding the foregoing, or anything to the contrary contained herein, prior to the first annual meeting of the members, the Declarant shall have the right, without the consent or joinder of the Board of Directors and any other party, to amend these bylaws by execution of a written amendment hereto, in order to clarify ambiguities or conflicts herein, to correct inadvertent mistakes, errors or omissions, or to comply with applicable law or the requirements of any federal, state or local agency or authority. Notwithstanding the foregoing, or anything to the contrary contained herein, no amendment to these bylaws may alter or affect the rights of the Declarant without the written consent of the Declarant.

8.12 Headings. The headings used in these bylaws have been inserted for administrative convenience only and do not constitute matter to be construed in interpretation.

Bylaws adopted this the 7<sup>th</sup> day of July, 2003.

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William C. Atkinson, Director

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James L. Wolfe, Director

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Stephanie L.A. Malechek, Director